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VOLUME IX

BUSINESS SELLING

RETAIL SELLING AND STORE MANAGEMENT

PREPARED IN THE
EXTENSION DIVISION OF
THE UNIVERSITY OF WISCONSIN

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PREFACE

One of the most important occupations, from the standpoint of the number of people employed, is the business of retail distribution. Very little in an educational way has as yet been done in this country for the people engaged in this business. It is true that a comparatively few far-seeing employers have for many years done what they could to give their salespeople training with the purpose of increasing their efficiency; and of late years a few public schools and some private schools have offered instruction in retail selling. For the most part, however, retail salespeople have had no training for their work except what they acquired through experience; and there have been few sources of information for the retail merchant who wished to supplement his own experience by learning of the experiences of others.

Nevertheless, the business of retail selling is one that demands for successful administration a wide range of special knowledge. This special knowledge of the problems of the retail store and of the better methods of merchandising can be acquired in much the same way as the special knowledge necessary in other business activities. Some of it, of course, can be learned only from experience, but much of it can be taught and learned without the waste of time and money that is unavoidable when one's own experience is the only teacher. Surely, wide experience is essential for success in retailing as in anything else, but, just as surely, that experience can

be profitably supplemented by a study of the experiences of others, arranged in logical, orderly, teachable manner. With the purpose of bringing together the experience of many men in retailing and of arranging this material in such a way that it can readily be studied by others and used by them in their daily work, the preparation of this text was undertaken.

The text attempts to treat of all of the more important activities of a typical retail establishment. Because of the number of these activities it is impossible to consider all of them in detail; some are but briefly discussed. The purpose has been to treat fully of those activities with which salespeople are closely connected, and then to treat in less detail of the other activities, of which salespeople should have some knowledge but with which they are not immediately concerned. Some subjects, however, have been given extended consideration, that are ordinarily thought of as being of interest alone to the store manager or owner. Detailed treatment has been accorded them because of the growing realization that selling efficiency depends partly on the salesperson's knowledge of, and sympathy with, the general store policy, and because wide knowledge of the business is essential for the employe who hopes for advancement and success.

The text should be of interest to employers and employes alike. Both will undoubtedly find in it much that is already known to them, but it is hoped that they will also find much that is new and that will help them to raise retail merchandising to a higher level of efficiency and public service.

It has been the aim throughout to present only such policies and practices as have been found of actual practical value in successful stores. To this end, the methods of a great number of stores have been drawn upon for illustrations. It is to these stores, large and small, too numerous to mention by name, that the writer is chiefly indebted. Many helpful

suggestions have been received from the trade periodicals, from the officials of wholesale and manufacturing companies, and especially from the hundreds of students—salesmen and saleswomen—in the writer's classes in the various parts of the state of Wisconsin, who pursued the course in Retail Selling offered by the Extension Division of The University of Wisconsin during the years 1910, 1911, and 1912, while the material for this text was being collected and prepared.

Also the writer wishes to express his deep appreciation for the painstaking, critical reading given the manuscript and for the many helpful suggestions offered by Professor R. S. Butler of The University of Wisconsin.

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RETAIL SELLING AND STORE MANAGEMENT

RETAIL SELLING AND STORE MANAGEMENT

CHAPTER I

INTRODUCTION TO RETAIL SELLING

Production.—To supply the wants of people there has been built up a great system of industry and commerce. The average family draws its foods, its clothing, and other needs from all parts of the earth. From producer to consumer there is in most cases an intricate series of transformations and exchanges. There is first the production of the raw material by the laborers who work next to the soil, from which all material things originally come. Then there is the transportation to the factories, and the manufacturing that changes the form of the raw product to something suitable to human use. After manufacture the goods are usually transported again to large dealers who purchase in large amounts and distribute in wholesale lots to the smaller dealers. Finally, the goods reach the consumers. This great system of industry and commerce is called *economic production.*

Place of retailing in production.—The business of retail selling is the final link in this great chain extending from producer to consumer. To show its relation to the whole system of production and commercial distribution, we may follow the processes of an article from its beginnings to its ultimate uses. (See Plate I.) In the production of an ordinary piece of calico there are, as indicated in the chart, more than twenty-five steps. There are often many more. The chart shows a simplified condition. It will be seen that

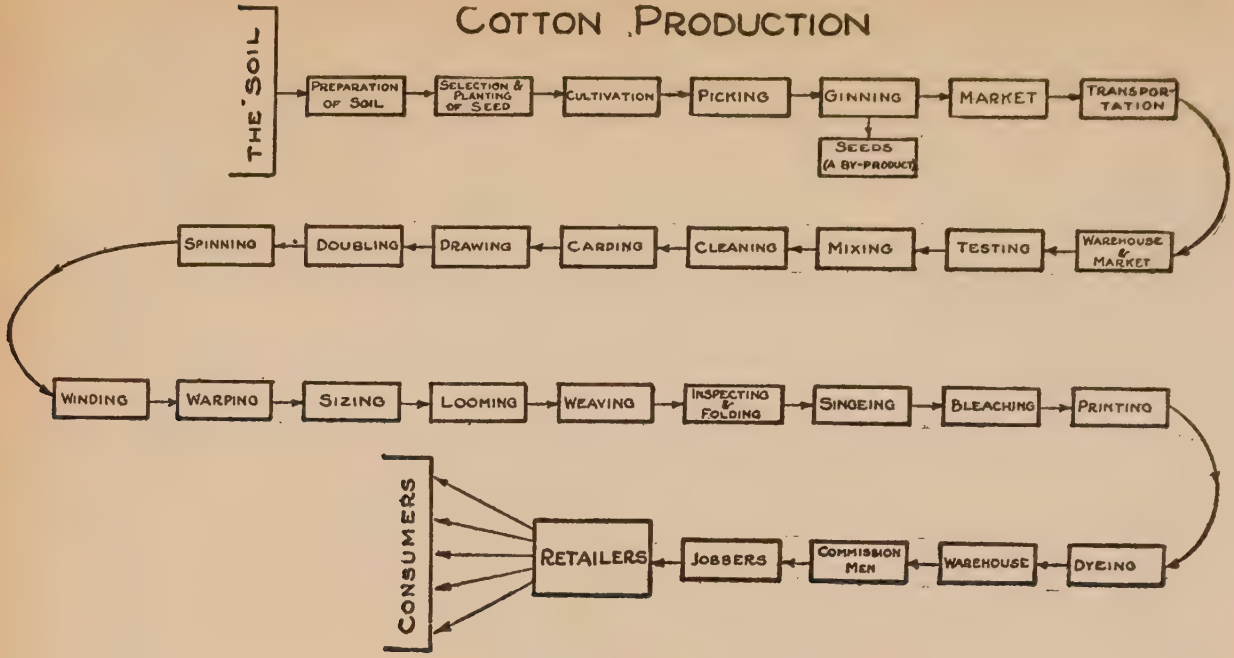

COTTON PRODUCTION
THE SOIL
PREPARATION OF SOIL
SELECTION & PLANTING OF SEED
CULTIVATION
PICKING
GINNING
SEEDS (A BY-PRODUCT)
MARKET
TRANSPORTATION
WAREHOUSE & MARKET
TESTING
MIXING
CLEANING
CARDING
DRAWING
DOUBLING
SPINNING
WINDING
WARPING
SIZING
LOOMING
WEAVING
INSPECTING & FOLDING
SINGEING
BLEACHING
PRINTING
DYEING
WAREHOUSE
COMMISSION MEN
JOBBERS
RETAILERS
CONSUMERS

PLATE I.

a piece of cotton goods must pass through a great number of hands, must travel over long distances, must be worked by machinery requiring much capital for its purchase and operation, and must be subjected to many processes that have scientific bases in physics, chemistry, etc. What is true for a piece of cotton goods is true in a similar manner for almost every other article bought and sold for the use of man.

What business is for.—Wherever goods change hands from one owner to another, there buying and selling take place. It is at these points that the profits are determined; and in profits we shall find one of the main motives of present day enterprise. The possibility of profits brings about investments in the various links of the chain; and, when profits cease, the units decrease in number or one link disappears entirely.

As a whole, this great industrial and commercial system depends for its existence upon the demands of the people, and therefore it is a social institution. The individual unit, be it farming, mining, manufacturing, wholesaling, or retailing, depends for its success upon how well it fits into the great system, and how well it serves its immediate community of customers. The unsuccessful store or factory is one which is not located advantageously with reference to its markets, or one which adopts a policy at variance with the tendencies in the entire system, or which does not serve its customers in the way that they want to be served. Society notifies such a unit that it is on the wrong road by cutting down its custom and thereby cutting down its profits.

Attempts to thwart this scheme or natural order may thrive for a while, but in the long run the people, for whom this whole system of distribution exists, will eliminate the combination which holds price much above the costs of production and handling; will break the monopoly controlling any needed commodity; will in some cases find a substitute article leaving the monopoly with no income; will cease to

trade with the merchant whose advertising or goods are dishonest; and will buy as little as possible from the salesman who does not treat his customers humanly or who does not serve them as they want to be served.

Wrong ideas in business.—There is a great deal of misconception in the minds of many salesmen, even merchants themselves, concerning the social function of selling. It seems to be easy to forget the dependence of the individual business upon the public. Such avowed policies as "get all you can," "charging all the traffic will bear," etc., are wrong both in principle and in practice. As the public becomes better and better educated and observant of its interests, indirectly as well as directly, the policy of *caveat emptor* (let the buyer beware) becomes more and more a thing of the past. Still there are too many business men who think in terms of the policies of the past, and this may be proved by the commonness of such expressive and significant business slang as the following phrases:

"Put it over."
"Lead 'em to it."
"Made 'em eat out of my hand."
"I gave him the hook all right."
"They were regular boobs."
"We certainly handed him one."
"Just like taking candy from a child."
"Easy money."
"He took hook, bait, and all."

Business men who use these expressions and really think as they speak are bidding for uncertain immediate success and certain ultimate failure. It must never be forgotten that business is intended to serve the people and that the people are not to serve business.

Who is boss.—In the Jordan Marsh Company's school of salesmanship in Boston the relation of the store to the public is made clear by Superintendent Hawkins in the following

manner. At the close of each term or course he goes before his class. Let him tell in his own words what he says and does:

"'As you are about to enter the employ of the Jordan Marsh Company, there is one very important thing that you should know; and that is, who is the boss in this store? Now who is the boss?' I ask, pointing to some eager student. The answer usually comes back, 'Why, you are.' I reply with emphasis, 'Oh, no; I'm not the boss.' Again I ask, 'Now, who is the real boss in this store?' All are intensely interested now. Positive voices in chorus now proclaim a member of the firm to be the real boss. I say again, 'Oh, no. He is not the boss. The boss in this store is the customer. It's for customers that you and I are working. It's the customer that you and I are here to please. It's the customer who pays your wages and mine. If it were not for the customer, you and I would be looking for a job, and we might not get as good a one as we have here. Now, if you are sitting behind your counter, doing nothing, and see me coming, don't jump; but if you see the customer, the boss, coming, jump!'"

Mr. Hawkins says that this line of argument always makes a strong impression, and it strikes the keynote of good salesmanship; namely, satisfactory service to customers.

Literature of retailing.—It is somewhat surprising that so little scientific attention has been given to the retail business in the past. Agriculture has become almost an exact science, and the engineer and economist have advanced mining, manufacturing, and transportation to well-defined standards. But the retail business, which now employs the time and energy of nearly a million people in this country alone, has been passed over in the standard works on economics with but brief mention. In a similar way the art of selling and other arts of the retail business, including advertising, window-trimming, stock-keeping, etc., have until recently

received but little attention from writers. This condition bids fair to be changed very rapidly now. A flood of literature is appearing on every conceivable phase of the business.

Reasons for interest in retailing.—There is a reason for this enlarged present interest in the retail business. This country has just entered a new era which at present finds its principal expression in the watchword of *efficiency*. The era of extensive exploitation has just passed. Henceforth resources of all kinds must be conserved, capital invested more carefully, labor more efficiently done. Scientific management is being introduced into the industrial field, and the essence of scientific management is elimination of wastes in the cost of production. The hero of this period is the one who can "make two blades of grass grow where only one grew before"; and the essence of good salesmanship is to make two sales where only one was made before. It is only natural that this tendency should appear in the retail field, and that men should seek to apply to retail selling some of the principles which are working so successfully in other fields.

Problems of the retailer.—There is another reason for this study of retailing, and that is the growth of a number of special problems into such dimensions as to compel attention. All middlemen are facing a very real problem in the competition among themselves, competition with mail-order houses, and competition with the various "direct to consumer" movements introduced here and there by producers. The rising prices of the last two decades, due to the increased cost of raw materials, have added to the difficulty. In many cases, it has been difficult to shift the entire increase upon the consumer; hence the scale of net profits has had a tendency to fall all along the line. Changes in the character of trade, the increased demands of the public for greater varieties and increased service, the prevalence of fashion, fad, and craze, make the dealer's position one that requires

the exercise of the keenest faculties and the most advanced knowledge.

Problem of the untrained salesman.—There is another factor in the retailer's problem in this country, and that is the lack of highly trained salesmen. This is a condition for which no one in particular is at fault, but which demands a remedy. The need for trained salesmen was not keenly felt in the past when the small store was the rule, and when the proprietor was the chief salesman. The problem of selling did not exist. If a salesman were not skilled in selling, neither was the salesman in the competitor's store; so it made no difference. Besides, under the supervision of his employer, the salesman frequently gained indirectly a very fair education in salesmanship in practice. In the modern store—large, departmentized, mechanical—the supervision that educates in many cases has been lost. The chief has retired behind glass doors. The inspiration of example is often wanting.

Apprenticeship in Europe.—In Europe the problem of training salesmen has been met very generally by an effective apprenticeship system. The boy desiring to become a salesman goes to work for a merchant for a period of three or four years, the merchant agreeing to train him carefully. During this time the boy receives no salary; on the contrary parents sometimes pay considerable sums of money to the merchant for the opportunity of putting the boy in his store. At the end of the period of apprenticeship the young man comes out ready for work, with a thorough knowledge of his line, an adept at selling.

Probable solution.—In this country it is not likely that apprenticeship will solve the problem. Such a plan would be satisfactory neither to the merchant nor to our young people. Judging from present tendencies, it seems safe to say that the solution will come through the public school system. Salesmen will be recruited from the ranks of grad-

uates of high school and college courses in commerce, and salesmanship will be taught in a manner similar to the present teaching of other vocations in industrial schools. The motives, ideals, and general principles of retailing must be learned in educational institutions. The art or the practice must be gained, as before, in actual selling.

Aim of business is profit.—The aim of the man who invests in a retail store is to get therefrom a financial return which is called profit. This return is to the merchant what wages are to the laborer, and what salary is to the office-holder. It is, in fact, his wages, though not regularly paid on a basis of so much per week or month. The amount of this profit depends upon a number of conditions, chief among which is the merchant's wisdom in choosing a right location and in offering the right kind of goods to the buying public, his skill in attracting the attention of that public to his goods and in arousing the public's interest in them, and his ability to select and train skillful salesmen and to obtain their best efforts in his behalf.

Store must sell goods.—In order to get profit, the store must sell goods. That is its chief function. Whatever else it may do is but preliminary to selling. All of the expense in buying, all of the careful planning and work in the decoration of windows and store, all of the expense for printer's ink, all of the salaries paid to employes, all of the conveniences provided for the use of store visitors, have but one purpose and that is to make easy, and assist in, the sale of goods.

Must seek new and hold old customers.—To increase the sale of goods, the store must seek, not only to increase the number of new customers, but to hold its old customers as well. Both of these aims can be accomplished only by rendering complete satisfaction. The store must have the confidence of the public. That intangible asset called "good will" is the most important item a business can own. There

is only one way to build up a retail business, and that is by building up popular confidence. The ideal has been reached when the entire community believes in the store's advertising, believes its salesmen, and believes in its goods. This means that the public must be served squarely. He who hopes to sell each customer but once, knowing that when the goods are delivered, there will be dissatisfaction because of poor quality of misrepresentation, deserves to be put out of business, and honest business men owe it to their calling, as well as to the public, to take the lead in checking such practices.

The problem of retail selling.—To render satisfaction to the customer and to obtain for the house a fair profit is the problem of retail selling. It involves right buying, right advertising, right salesmanship, and right policy towards customers. It is obvious that to satisfy customers the goods must be what they want; but there is more to the problem than that. One store may carry exactly the same goods at the same prices as another, and yet the customers of the one may be better satisfied than the customers of the other. Something else must go with the goods to make satisfaction, and that something else is the *manner* in which the goods are sold.

Factors of selling.—Disregarding, for the time being, the accessories of retail selling, such as advertising, display, and other store service, it is clear that a sale brings together the following factors: the *salesman,* the *goods,* the *manner of selling,* and the *customer.* To analyze each, to trace what actually takes place, and to formulate principles of good practice, constitute the science of salesmanship. Analysis of the salesman will reveal the necessary qualities of personality, made up of the elements of physical health, natural ability, education, experience, and character. Analysis of the goods will reveal quality, construction, appropriate uses, values, etc. Analysis of the manner of selling

will show the working of the mind, based on the science of psychology. And the study of the customer will reveal those elements of human nature that make buying and selling possible.

Advertising requires, first of all, a thorough knowledge of selling, of the means of selling, and of the character of the goods to be sold; since it is for most stores an adjunct, or an aid, to selling. Its aim is to serve the selling force of the store. On the other hand, its best use calls for a good deal of technical knowledge as to the means of advertising mediums, space location, arrangement within space, type choice, illustrations, decorations, and the wording of the matter. The knowledge of these things, plus expert salesmanship, makes the professional advertising man.

Window trimming is another form of advertising, but it uses a special medium. Its appeals are made through pleasing and suggestive displays of goods and of show cards. Store display is closely allied in principle to window trimming. Both call for ability in salesmanship and a practical knowledge of the principles of art.

Store arrangement has come to be a science in itself. Every store manager must, of course, be interested in the problem of arrangement, while not a few individuals have made such a study of this work as to make their services valuable to others. Trade papers maintain regular consultation staffs on this subject, and the future will see this phase of retailing given much more scientific attention than in the past.

A science of retail selling, to be complete, is even broader than a consideration of the above named things. It should consider store system, store organization, store policy, welfare work, buying, and other activities. But, throughout all, there must always be borne in mind the final aim of selling goods on a basis that will give satisfaction to the customers and profit to the one who sells.

CHAPTER II

THE SALESMAN

Reasons for salesmen.—Why are there salesmen? First, because of *custom.* People have been in the habit of buying goods over the counter from salesmen for such a long time that everybody expects that there shall be salesmen in stores. The alternative to the living salesman is the vending machine that gives chewing gum, postage stamps, shoe laces, confectionery, matches, or other goods in return for coins deposited in the slot. Some think the principle of the vending machine is applicable on a larger scale to entire stores selling groceries, meats, drugs, confectionery, and dry goods. There is no doubt that the use of vending machines will increase. There are many so-called salesmen who are really not salesmen at all but merely order-takers, whose places might easily be filled by vending machines. But there is no mechanical device that can take the place of the real salesman.

To educate buyer.—Second, there are salesmen because the best informed buyer cannot know everything, and it is the business of salesmen to give him expert information about the article on sale. In a certain, but very true, sense salesmen are *educators* of the public, and the standards of living and of comfort of civilized nations are due largely to the efforts of salesmen.

To make sales.—A third reason for salesmen is found in the fact that most *goods seldom sell themselves.* Per-

sonal solicitation seems to be necessary. And where there is competition, not price alone but selling ability as well is a powerful winning factor. There would be very little life insurance sold were it not for the salesmen. Without salesmen many homes would not possess sewing machines, musical instruments, and other useful and refining things. Who can say that great good has not been accomplished by these ambassadors of commerce? Because there are salesmen, we are all better dressed, better fed, and better informed than we should otherwise be.

To increase values.—Good salesmanship increases the value of the goods to the consumer. Through the salesman, the customer learns to see more attractiveness in the commodity, learns new uses for it; in fact, he learns to think of it more highly. He is shown how to get both pleasure and profit from its possession. Its utility for him is increased; hence it has greater value.

Importance of the salesman.—The salesman is the connecting link between the store and its customers. He is the most important factor in the institution. He is the host; the customer is the guest; and whether the guest shall call again and again depends almost entirely upon the manner in which he is treated in the store by the salesman.

Born vs. trained salesmen.—It is well settled now in the minds of observing people that good salesmen become such not nearly so much because of any peculiar natural endowments as because of careful, persistent training and study. Good salesmanship does call for strong natural endowments, but most people have these endowments at least in some degree. Salesmanship calls for very few qualities that are not necessary for success in almost any other vocation.

Luck in salesmanship.—It is also well settled that luck has but small place in the development of salesmanship.

The person who wishes to become expert in selling must work, must prepare. Education does not come to one through luck, though the opportunity to get it may be the result of fortunate circumstances. Experiences with goods and with men are not the result of luck. Nearly all of the cases usually called lucky could, if the facts were fully known, be explained by the fact of previous hard work and training.

Health.—Successful salesmanship, like every other activity in life, demands, first of all, physical health. This is the basis of strong personality. By health is meant not only freedom from disease, but an abundance of surplus energy, ability to use muscle and mind with vigor, quick and keen response of the body to the mind, and control that prevents the expenditure of more energy than is necessary. A person in good health cannot long be unhappy. Good health is the mainspring of hope, ambition, and optimism. Health is that condition where the mechanism of the body is working perfectly. This perfect working is a result of the right kinds and amounts of food, drink, air, sleep, clothing, shelter, mental attitude, and exercise.

Rules of right living.—A study of salesmanship, to be complete, should include a thorough treatment of personal hygiene—the principles that must be applied if the body is to be made highly efficient. This in itself might be the subject of an entire book, and many good books have been written about it. The student of salesmanship is urged to study personal hygiene, to read its literature, and to determine definitely that he will give due weight to this important phase of the science of selling. Every good public library contains books on the subject. Study them; follow their precepts.

In this text all that is possible is to give a few general rules that are generally recognized as being fundamental. The indoor salesman lives and works under conditions

that would make it difficult for most people to keep perfect health. The lack of fresh air, of sunlight, and of exercise are frequent disadvantages that must be reckoned with. Every individual has his own health problems, and in some particulars every individual case needs its own prescription. But so far as general rules are helpful, the following will be found reliable and full of suggestion. Certainly if anyone will conscientiously follow them, his health problems will be reduced to a minimum.

1. Eat simple food, not in excess, and of fair variety. Eat meat sparingly. No indoor salesman can retain his best health and vigor while eating meat three times a day, or rich fatty foods continually.

2. Drink plenty of fresh, pure water and whenever you want it. Drinking pure water never brings injury unless the water is too cold.

3. Dress in loose, light, warm, porous, clean clothing.

4. Keep the skin clean and the pores open. Bathe every day if possible.

5. Sleep eight hours every night. From 10 P. M. to 6 A. M. are the best hours.

6. Take some exercise regularly, but moderately, in the open air every day.

7. Insist on having fresh air wherever you are—in your working room, living room, and sleeping room. If you do, you will be free from colds and lung trouble.

8. A room temperature of from 60 to 65 degrees Fahrenheit is the best for working. A temperature above 75 degrees dulls ambition, energy, and keen thinking.

9. Suppress all tendencies towards passions, such as anger, hate, and fear. These, with worry, are certain causes of lower vitality and disease. Do the best you can for to-day in the best way you know how, and let no troubles of to-morrow cause you anxiety. Your mental attitude is not only important to health, but tremendously important in selling.

10. Abstain from alcoholic drinks and tobacco. Neither will help anyone to succeed. Both are known to be injurious under most circumstances. This is sound business advice. The man who lives in any way so as to cut down his energy available for work is shutting the door of opportunity in his own face. Do not take chances.

Other qualities.—There are several other qualities which success in salesmanship, in common with other business activities, depends upon. Among these general but necessary qualities are education and character. The first of these opens up opportunities; the second enables one to hold them. The first gives its possessor a knowledge of men and of things; the second points the right way of action among men and things. Character is partly the result of education, but it is mostly the result of one's own past thoughts and acts. Both education and character are the results of slow, steady growth from childhood up; they continue growing throughout the entire life. What the growth shall be, whether good or bad, depends upon a person's motives and his surroundings.

General education.—In these days an education is absolutely essential to success in any business or industry—not necessarily school education, for an education can be obtained, has been obtained many times, without the advantages of the institutional school. But there are usually a number of difficulties in the way of those who do not have the opportunity to go to school, which result in their failure ever to get an education. The fact that some succeed in getting learning outside of schools, and in spite of difficulties, does not constitute an argument for that method. Everybody recognizes that the school is the best way. Yet, even with schooling, it is not certain that the student will become truly educated. The school supplies the opportunity, the material, and the teacher who shows the way; but the student must, himself, do the work.

That means that his mind must have the motive to get something out of the teaching, and his eyes, hands, and brain must do the work that is to count. The main value of the school is that its teachers stimulate motive and show short-cuts to intellectual wealth that a man working by himself might overlook.

There has been a great change of opinion concerning the value of education during the past few years, and every business man seeking either his own or his family's advancement and the public welfare should study the needs and the tendencies of education. Most merchants and salespeople of the generation just past began their careers with barely a common school education, with now and then a business college course to finish off. To-day one meets on all hands in the retail business high school and even college graduates in increasing numbers. Some stores will not employ inexperienced persons who have less than a high school education, while large department stores frequently seek out strong college graduates for their important positions.

Business education.—The reasons for this change are clear. In the first place, education is much more common now than ever before. It is easier than formerly to find graduates of higher schools who seek business positions. In the second place, a good, stiff educational training in high school or college gives a fund of knowledge and a power of mind, which may not be directly applicable to business situations at once, but which become extremely valuable after the graduate has received enough business experience. In the third place, schools are beginning to offer courses of instruction definitely fitting students for business—commercial arithmetic, bookkeeping, commercial law, commercial correspondence, business management, advertising, and salesmanship.

How to increase your education.—The retail salesman

cannot afford to neglect his education along general lines, if he has not already received a good one. Business demands knowledge, particularly in the use of English, in geography, arithmetic, history, civics, sociology, and political economy. Other subjects, such as literature, natural science, and higher mathematics are also of value, though not usually so directly. Knowledge of English is the most fundamental of all. It includes good vocabulary, ability to express one's thoughts clearly and pleasantly, and good pronunciation. Selling is helped by correct language; correct language places one on a par with all who use the same language. Recently the Columbia Phonograph Company issued a vest pocket dictionary giving the pronunciation of all of the terms and names appearing on its musical records. It was found that salesmen who could not pronounce these words correctly were losing some sales. One should know his own business, and knowing his business means, among other things, knowing how to express himself about it in every one of its phases in an intelligent manner.

Knowledge of common arithmetic is absolutely essential, but it is so uncommon among the masses of salesmen as to cause great losses and much trouble. The possession of a large amount of arithmetical knowledge is not so important as the ability to use well the fundamental operations of addition, subtraction, multiplication, and division of whole numbers, and common and decimal fractions. Nothing but drill and attention will make one proficient in these matters. Every salesman should be skilled in making change. He should be able to give the cost for quantities and fractions of quantities of whatever goods he sells, without hesitation and without error. The following are types of some of the problems that have caused many salesmen to use up enormous amounts of time in the aggregate, and to make numerous costly errors:

What is the cost of $\frac{7}{8}$ of a yard of cloth at 90c per yard?

What shall be the selling price of 22 inches of velvet 18 in. wide, cut on bias, at $2.25 per yard?

How to make change, when the customer buys $2.45 worth of goods, and offers in payment a $5.00 bill? The cash register contains nothing but dollars, half dollars, and dimes. You ask the customer if he has the right change. He says, "I have no other money except a quarter."

One traveling salesman offers the buyer trade discounts of 25% and 10%. Another offers 33% for the same goods. Which is the better proposition?

There are many simpler problems than these in which salesmen in every store make mistakes—mistakes that thorough education and training would eliminate.

There is an opportunity for anyone who cares to do so, to build up his general education. One method is to get the books bearing upon the subject and to study by oneself; another is to study by correspondence; and still another is to get the help of a tutor at odd hours. In some large cities, night schools offer excellent advanced courses which are patronized by large numbers of salesmen and saleswomen.

All education needs to be supplemented by reading and study of present day topics. General knowledge can be built up very greatly by careful reading of the best magazines and papers. Good business demands that one should never fail to keep in touch with the chief events of the day.

Character.—Character is a composite thing. It is made up of various ideals and habits that cause us to do the things of life in certain ways. It represents what we really are, both mentally and morally. What other people know of our character is called our reputation. Possibly, from

a business standpoint, reputation might be called the more important. But reputation represents what people see of our character, and since what we really are is bound to be known in the long run, character is the thing that needs attention. If character is good, let reputation take care of itself.

Present demands.—Business practice has lately changed much with respect to the demands upon character. It used to be considered sufficient for business purposes if a man paid his debts and kept his contracts and other obligations, no matter how black his character might otherwise be. Now, while conditions are still not ideal, the path of the transgressor is made much harder. The immoral employe finds it difficult to find a position, or to keep it; not only the dishonest, but the loose-living merchant finds trouble in getting all the credit he may want; customers avoid lying salesmen; and never before have graft and crookedness been so generally frowned upon. The tests of character are much more incisive and searching than ever before. Reputation comes closer and closer to being the true picture of character. Steps are taken by those in business to know all about others with whom they come in contact, not only from a business standpoint, but also socially and personally. The credit man of the wholesale store or manufacturer has a complete personal record of the character as well as the business standing of his customers. The employer in the large department store has a record of the personal character of every salesman from infancy up. If you were an employer, it would be your duty to know your employes in as full a manner as possible. That is good business in these days. The right kind of men and women welcome this. It is to their advantage. As for the others—all the more reason for the new system.

Results of dishonesty.—A man who is not honest in modern business is ignorant, shortsighted, or simple-minded.

Dishonesty simply does not pay. It is not necessary that dishonesty should be found out and proved, in order to result in damage. In fact, the finding out of the dishonesty of the wrong-doer might be the easiest way out of the difficulty for him. The one who does wrong, gets found out, and pays the penalty, may have an end to his misfortune. But the dishonest individual who is not found out also pays a penalty. In the first place, the act of dishonesty becomes in his mind something to be hidden. He must be careful. He ceases to be open-minded and open-hearted. His fear of being found out, if he is not careful, leads him into becoming reserved, suspicious, and unattractive. His ability as a salesman is impaired. He fails to improve as rapidly as before. He fails, therefore, of promotions and better places. Though not found out, he may be suspected by his employer. There are a thousand different signs and methods by which suspicion may be aroused, yet without convicting proof. The dishonest employe loses his employer's confidence. This means again, no promotion; and, when dull times come, this salesman is the first to lose his place. He may think that he was dismissed by his employer because of dull times! That was only a part of the reason.

There are other desirable qualities of character, as, for instance, economy, promptness, initiative, ambition, self-confidence, determination, and willingness to learn. Many more could be added. In fact, the qualities of character essential for success in salesmanship are the same as the qualities essential for success in any other walk of life.

Economy of living.—There is need that strong words should be spoken upon the subject of economy. For the individual on a salary, no matter how low it may be, there is but one rule—he should live within the amount received. To do otherwise leads to the most serious difficulties to be found in business to-day. There is among many groups of

business women a dangerous desire to outshine one another. Those living at home, and who contribute little or nothing for board and room, can, of course, easily outdo their fellow workers who are not so fortunate. To make up for the difference some salespeople unfortunately have been led into dishonesty, theft, or other immorality. This is a well recognized problem among business concerns. It has been found absolutely necessary in many stores to make rules regarding the kind of dress to be worn by women employes while on duty. Much can be done by older salespeople, by showing the right example and by giving judicious advice to the younger members of the force. The following case is typical and true. In a department store in Chicago the girls in the inspecting and wrapping department had taken to wearing unbecoming, large "rats" in their hair, with changes for every shift in the prevailing city fashions. The head of the department, a sensible lady, foreseeing trouble in the continuance of the practice, called the girls together and gave them a frank, friendly talk upon the subject. The girls were impressed, and the result was that the janitor carried out a full bushel basket of "rats," voluntarily thrown away by the young ladies.

This criticism has been aimed chiefly at business women, but it might in many cases be applied equally to men also. Live within your income. By doing so you will supply people with a good sign of your integrity. There should be no regular position in any business house which pays less than a living wage. The existence of such places are bad for the employe and worse for the business in the long run.

Be on time.—All business people, especially salespeople, need to be prompt. Business is complex. It takes many individuals working together in unison to make it succeed. When a man is appointed to a place in any business, he is

needed there for the full measure of time. He must be on time either at his place of work or at his place of appointment. To be on time is a sign of strong character. It is a good recommendation for a person when another says of him: "He is always on time."

Watching the clock.—Watching the clock has been the cause of more disaster to ambitions than most people would believe. The reason for it is this. It is a sign to the employer or others interested in the business, of lack of interest on the part of the employe. No interested person will think of the clock until the very minute of closing. The employer reasons: "How can I promote one who does not care about my work? I want people who are anxious to help me." No person working for another, who desires to climb, can afford to have his employer think in this way about him. What to do is obvious—get interested in your work. If you are unable to become interested, for your own good seek other employment.

Initiative.—Initiative is a quality that few people have in marked degree. It is one of the most valuable qualities, though, and must be possessed by executives or managers. Salesmanship, as we shall see, gives opportunity for the development of initiative to a much greater extent than most other occupations. Initiative is essentially the result of a desire to do, a knowledge of conditions, and wide-awakeness concerning the business. It is a quality that can certainly be developed by turning one's attention and effort to it.

Ambition.—Ambition is the quality that makes one dissatisfied with present position or present results. Progress is the result of ambition. Life becomes interesting because of it. "Fair" is the best adjective that can ever be applied to the work of any person who lacks in ambition. Yet, while ambition is so essential, it must not run away from the rest of the man. It must be kept on a level with health,

and must be accompanied by persistent self-preparation. To be progressive is to be ambitious. When people grow old, ambition is lost, and ways become set. But age is not a matter of years only. Ambition not only leads to higher places but also staves off that period that we call "growing old."

Self-confidence.—If there is any one quality that is noticeably lacking in most people, it is self-confidence. There are many who put on a veneer of bravado—who puff themselves up with conceit; but the quiet, powerful force of self-confidence that says little, but knows, and shows that it knows, what to do next, is really rare. Conceit and all attempts to convince other people of our self-confidence by mere talking, are signs of weakness of character. Lack of self-confidence is caused by fear. This fear constantly dogs us and tells us, "You can't do it; you can't do it!" when, in all likelihood, the doing would be easy. There are no persons who are so self-confident as those who are perfectly frank with themselves, who are not afraid to admit their failures, and who are ready to measure whatever ability they have regardless of the showing. Frankness is closely associated with this quality. What you know you can do makes you reliant; uncertainty causes fear. Insincerity under strain causes fear, and confidence falls down. Bluffing sometimes succeeds, but its failures, when they do come, seriously outbalance its successes. The fear that causes lack of self-confidence not only grows out of lack of knowledge or experience, but also out of the condition of the body. Self-reliance and confidence naturally accompany health. It is not surprising that a person with dyspeptic stomach, with brain fogged from loss of sleep, or system deranged from use of improper foods or beverages should back down at critical moments. Salesmen need self-confidence. To get it, they must know their goods, their business, their own abilities, and keep their

bodies in the pink of health. Add experience to these things, and the confidence that wins will be theirs.

Determination and working capacity.—Determination is the ability to stick to the work, to the customer, to an ambition, or to a worthy idea until it yields results. It gives working capacity. It keeps its possessor at work when the average individual would quit. It carries the work to completion thoroughly and with satisfaction to the worker.

Discipline.—One other general quality, valuable to all classes of business people, is that of amenability to discipline. Modern industry and commerce have developed to such an extent that every business house must have its parts working together so as to prevent friction. This result is obtainable only by system and discipline. Inability to fit one's self into modern system bespeaks an arrested development, suitable only to small individual concerns, and to a past condition of industry. The chief accomplishments of to-day are the result of team work; and this means each individual acting intelligently but completely under direction.

CHAPTER III

KNOWLEDGE AS AN ASSET IN SELLING

Review.—In the two preceding chapters we discussed the place and purpose of retailing, and the general or fundamental qualities which salesmen, in common with other business men, must possess. It was stated that, although the making of profit was the motive for establishing individual business units, the whole industrial system is a social institution, that it exists for the purpose of supplying people's wants, taking goods from where they are plentiful and putting them down where they are in demand. The retail salesman is needed because people have the habit of trading with him, because he helps to educate buyers concerning their wants, because he is a powerful factor in competition, and, lastly, because his services really increase the value of goods to the consumer. The successful salesman must be healthy, must have education, must be honest, must live economically and sensibly, must be prompt, must have ambition, initiative, self-confidence, determination, working capacity, and must be subject to discipline.

Technical knowledge.—In addition to the qualifications for success in any business, already explained, there are certain requirements specifically fitting one for successful salesmanship. Aside from experience, which must be assumed as essential in every case, these requirements are largely matters of special *knowledge* and *common business sense.* What is meant by common business sense is comprehended

under the expressions, knowledge of the goods to be sold, knowledge of the house, knowledge of general business conditions, and knowledge of people. It is in respect to these kinds of knowledge and their applications that salesmanship is set off from all other occupations; and in proportion as the salesman extends his abilities in these lines, his selling becomes more and more scientific, and his occupation more and more a profession.

Knowledge of the goods.—A story has gone the rounds that one of the most successful salesmen in Germany was asked the reason for his success. He replied, "I defy any man to ask me any question about my goods that I can't answer." That is *knowledge of the goods.*

Stock.—The first thing that a salesman needs to do on coming into a store is to learn the stock that he is to sell—where it is, what it is, in what quantities it is kept, and its prices. The constant selling and movement of goods call for regular study of stock. The salesman must know his stock so that he can instantly turn to what is asked for, if it is in stock at all. His knowledge of stock must necessarily be up to date, so that his reports for buying may be made in sufficient time to prevent any possibility of his being "just out" of any goods that ought to be on hand. He must know his stock so well that, if a customer has no preference, he may at once turn to the kind of goods in which the store has the largest supply, or which usually move the slowest. Every store has such goods, which, if not handled in this way, will accumulate and become a dead loss.

Prices.—There should be no hesitancy in giving the price, and, therefore, all goods should be clearly marked. To omit the price mark is to trust to memory. When prices are not marked, an extra salesman called into the store in case of emergency would be entirely at a loss, and even the best memories are likely to fail at times. Marking obviates loss. And yet the salesman should not rely solely on price

marks. He should know his prices so well that when he makes his selections to show the customer, he will select what he thinks will suit in price as well as quality.

Uses.—Next to knowledge of stock and prices comes knowledge of the uses of goods. The knowledge of stock and of prices simply gives ability to *wait* on customers, and to give them just what they have already made up their minds that they want. This is "order-taking." Salesmanship begins when the salesman describes the goods. Fully four-fifths of so-called salesmen are simply "order-takers." They wait on customers; they do not sell them.

What are the uses for the article? If a cloth, is it dress goods or suiting? Is it for young, middleaged, or old persons? Is it for working, house, street, or reception wear? Can it be used for anything else appropriately? Similarly in the shoe department: Are the shoes suitable for rough, or ordinary, or light outdoor use? Are they for tender feet? Are they for working or dress purposes? Questions like these can be asked for every article sold. After learning the stock, the salesman should school himself thoroughly and completely on uses of the goods for sale in the store, so far, at least, as goods allied to his own line are concerned. If this were done, a mistake like the following would not occur. A lady came to the men's hosiery counter and asked for long tan hose for a boy of fourteen. The *order-taker* replied, "We have none." A *salesman* who overheard the conversation invited the customer to go to the misses' hosiery department, where she got what she wanted.

Qualities.—Salesmanship does not stop with the ability to tell what the goods are for, if it seems to be necessary to give other points in order to make the sale. The salesman must know and must be able to tell in the plainest, yet most attractive way, about the qualities and structure or composition of the goods. This often calls for a knowledge

of how the goods are made, the processes they have gone through, the labor put upon them, the care exercised, etc. It may also call for a knowledge of the history of the article. Add to this a knowledge of similar goods and competitive makes, and you have one of the substantial bases of salesmanship. It matters not how poor a personality one may have, or how lacking in tact he may be, if he is honest and knows his goods and has ability to express what he knows in simple language, he will be able to achieve some success in selling. He will not be the most successful salesman without personality and tact; but he will have assured value. People like to trade with men who know their goods and who can give information about their uses, qualities, structure, etc. They have confidence in such salesmen.

With reference to any particular article, the following questions will suggest what the salesman should know:

Where and how is the article made? What is it made of? Will it wear well? Will its colors come out or fade? What does it cost to produce? Why does it cost that much? What are its advantages over similar articles? Has the article had an interesting history?

Analysis of knowledge of goods.—As a further help to the salesman who wishes to study his goods in a professional way, there follows an outline of the points that make up the knowledge that a good salesman should have about the goods he sells. Not all the points are applicable to every sort of goods, but most of them are:

1. What goods are in stock.
    a. Ranges in sizes, qualities, colors, and prices.
    b. Quantities of each.
2. Where goods are located.
    a. Stock on sale.
    b. Reserve stock.
3. Specific knowledge about each article.
    a. Selling price.

b. Condition.
c. How long in stock.
d. Its uses.
e. Purposes for which it is best suited.
f. Convenience.
g. Comfort.
h. Durability.
i. Safety.
j. Purity.
k. Style.
l. Its points of beauty.
m. What it is made of.
n. Methods of making.
o. Costs to produce.
   Material, labor, machinery, transportation, tariff, etc.
p. Available supply in the market.
q. History of the uses of the article.
r. Present tendencies in use.
s. Competition with other makes of the same article.
t. Competition with other goods.
u. The makers and their reputation.
v. Guaranty that can be given.
w. Tests for its qualities.
x. Satisfaction it gives to present users or has given to past users.

How to learn the goods.—How shall a salesman get knowledge of his goods? By carefully examining and studying the goods themselves; by making inquiries of other members of the store organization; by inquiries of the traveling salesmen who sell the goods; by writing to the manufacturers for information; and by the study of the literature bearing on the subject. He should read the advertising matter of the manufacturer or dealer who distributes the

goods. A book on commercial geography is more valuable to salespeople than to anyone else because it traces the production of goods and their distribution over the world. Trade papers, standard magazines, and encyclopedias contain much help for an enterprising salesman. Whole books are written about many articles; and to know some lines of goods requires a lifetime of study. Salesmen have made great reputations by their special knowledge of some particular articles.

Knowledge of the house.—The salesman needs to keep informed about general business conditions, such as the factors affecting prices and values and the tendencies in supply and demand in his own goods. He should study broadly the effects of national and state legislation, the relations of capital and labor in the industrial world, and the tendencies and efforts to teach higher efficiency. In all these matters he needs to keep himself open-minded. He should try to see both sides of open questions, and cultivate liberality of view. Very few propositions are either all right or all wrong. Avoid partisanship if you want to be a successful merchant. General business conditions are guides to the forecasting of future possibilities, and are, therefore, what every buyer must study.

Knowledge of people.—Last, but not least, among the special fields of knowledge in which the salesman must become proficient, is that of knowledge of people. Bringing knowledge of goods and knowledge of people together makes quick sales of goods. This kind of knowledge is often called knowledge of "human nature," and sometimes "practical psychology." Whatever its name, it means knowledge of what people think, of how they feel, of what they do, of the things they like and dislike, their customs, habits, observances, their ways of living, their food, clothing, shelter, amusements, their education, their social classes, their ways of making a living, their home surroundings,

religions, and societies. Alexander Pope said, "The proper study of mankind is man." It is truly the study for salesmen. What a salesman knows about his customers governs to a great degree what he will say to them, what articles to show, and what selling arguments to use. The man with knowledge is always respected. All people like to trade with the retailer who knows what they want, how they want it, and when they want it.

False methods of study.—There is no easy or royal road to a knowledge of people. Experience and observing eyes are necessary. Many people have been led to believe that it is possible to learn to read people by the shape of their heads, by facial features, or other signs. It should be said, once for all, that there is absolutely no scientific ground for most of these beliefs. They turn the attention of the student away from the true direction and method of study, and are, therefore, harmful. Phrenology was upset when scientists actually discovered what the brain functions were, and when it was found that these were not at all in the places indicated by the phrenologists. Physiognomy has an element of truth in it, but it cannot be trusted far. The nose, chin, forehead, and hands have been held responsible for many qualities. All of these signs fail under searching criticism. The color of the hair and of the eyes has nothing to do with what a man thinks, or with his character. Honesty cannot be judged from the shape of the ears.

Physiognomy.—There is an element of truth in physiognomy, as stated above. A man who is thinking tends to express what he has in mind. Signs of this may be detected in the eyes, in the movement of the smaller muscles of the face, even in the walk, the posture, and so on. The real character reader is the one who engages a person in conversation, or watches him while he is at work and is unconscious of being watched. The character reader watches every movement; he notes not only what is said, but also

how it is said. When he imparts information to the individual that is being tested, he watches the features to see whether the information is received with favor or disfavor. With such evidence, collected in fragments, purely circumstantial in character, he may shrewdly guess what another person thinks and feels, and what his character may be. Even at that, unless the observation is very complete and for a considerable time, and is backed up by real evidence of past acts, information from others, and other facts, mistakes in judgment might easily be made.

Psychology in business.—A business man can get much help and direction in his efforts to learn about people and human nature from the sciences of psychology and sociology. Psychology is the science of the individual mind, while sociology is the science of society. Sociology shows why people come together for various purposes, their motives, methods of thinking together, and accomplishments in these associations. In a text of this kind it would not be possible to take up a study of sociology. But psychology so plainly lays the foundations for selling that it will be necessary to spend considerable time upon it. Selling is really a psychological interaction of individual minds. The next chapter will present a brief outline of the subject of psychology as applied to selling.

CHAPTER IV

THE PSYCHOLOGY OF SELLING

Psychology and business.—Psychology is a word that has come into business to stay. It supplies most of the theory upon which all good salesmanship is based. Every salesman who attempts to suit his customers, to influence them to come to a decision, and to get them to grasp new ideas about goods, practices the principles of psychology whether he knows it or not. The more successful he is in his work, the closer he follows those principles. Anyone who must work with people for his results, either in selling or buying, or in employing and managing men, practices the principles of psychology, and is a good psychologist in proportion to his knowledge of why he follows certain methods. But even if it is possible to get along well with people, to sell, buy, employ, and be employed, with only an intuitive knowledge of this science, it goes without saying that the bringing of its principles broadly out into the open, and the studying of them, should be a much surer and quicker way to business efficiency.

Definition and use of psychology.—Psychology, as a science, simply explains how our minds are constituted. *It shows how ideas get into the mind, and how they work after they get in.* This is not the usual definition found in the books on the subject, but it is what they mean, so far as business is concerned. The salesman wants to get the idea into the mind of the customer that the article to be sold is

just what the customer wants. He wants that idea to work in the customer's mind, and to stick, so that the customer will remain satisfied. How all this occurs is explained in psychology.

The mind.—No one knows what the mind is, except that it is the thing within us that thinks, and feels, and decides what we shall do and what we shall not do. But even if we do not know what the mind is, we are quite sure about where and how it works, in a general way. Its organs are the brain and the nerves.

The brain.—The brain is the headquarters or main office of the nervous system. It is here that the mind seems to be and it is certainly here that the mind's principal work is done. The brain is completely surrounded by the bones of the head, which form a protecting box. Through the bony sides of this box there are but a few small openings. These admit only blood-vessels and nerves. The largest opening, which is at the bottom of the skull, lets in the largest nerve of all, the spinal cord.

Roads to the brain.—Whatever is to reach the brain in a natural way must come in through either the blood-vessels or the nerves. The use of the blood-vessels is known. They carry nourishment and heat to the brain and waste matter away from it. Ideas, or the stuff that causes ideas, must, therefore, come in through the nerves.

The nervous system.—If we follow the nerves out from the brain we shall find that these little white fibers run out to all parts of the body. As they proceed outward, they branch out like trees, until the surface of the body, just beneath the skin, is covered so thickly with these minute fibers that it would be hard to find a single place no larger than the point of a needle that is not occupied by nerve fibers or their endings.

Special senses.—Two of the nerves leaving the brain run out to the eyes, and have their endings in the eyes. Other

nerves run out to and end in the ears, nose, and mouth. It is clear that these are nerves of great importance to the mind. Through them we get our sensations of *sight, hearing, smell,* and *taste.*

Structure of the brain.—The brain itself, as well as the largest nerves, is not a solid mass, but is made up of an immense number of cells with delicate little fibers connecting them all together in a multitude of ways. These cells can be seen only under a high-power microscope. Their number is so great that imagination fails to grasp the meaning of the figures. We may gain some comparative idea, however, from the statement that if a person should try to count them, and counted fifty per minute for twelve hours per day, it would take him over 200 years to finish the counting! Yet we may assume that each cell with its attached fibers has its use in the processes of thinking and the other work of the mind.

Sensation.—Let us see how an impression passes from the outside of the body into the brain. Suppose you place your finger on the point of a pencil. The little nerve endings are very plentiful in the skin of your fingers. The pencil point comes in contact with some of them. This contact, or touch as we call it, excites the nerve endings, and they start a current of some kind, perhaps like an electric current in a telephone or electric light wire, back along the nerve until it reaches the brain. We are positive that there is a current. If the nerve were cut off at the arm, we should never be able to feel the point of the pencil on the finger. The rate of speed at which the current travels has been measured, and it has been found to be a much slower current than electricity in a wire. The nerve currents differ in speed in different individuals, and even at different times in the same individual, depending upon bodily condition or health.

Brain impression.—When the current reaches the brain,

it passes to the particular part that receives sensation currents from your finger, and here, in some cell, *an impression is made.* Just what kind of impression we do not know. No microscope has revealed just what it looks like, but the facts seem to show that there is formed some sort of real furrow or indentation which remains in the brain. No attempt will be made to describe what takes place in the brain and mind accurately. The processes are most complex, and scientists have not yet been able to trace them out completely. There is much dispute and difference of opinion over many of the finer points. All that is intended here is to give a concrete basis which shall be sufficiently correct to supply a true working theory upon which may be built an explanation of the psychology of business, and of selling in particular.

Experience made up of impressions.—Every impression that reaches the brain, whether from the skin, the eyes, ears, nose, tongue, or elsewhere, passes in through nerves, and leaves a definite mark in the brain. Our daily experiences—what we see, hear, smell, taste, and feel—consist of nerve currents entering the brain and leaving indentations of some kind in the appropriate brain cells.

Impressions and memory.—While we do not know what the mind is, we do know that it works upon these impressions, indentations, or furrows that have been made in the brain by incoming nerve currents. Where the impression is made, the mind is present, and we say *we know*, or *we see*, or *we smell*, etc. In the illustration we started with, *you knew* that you were touching a pencil point. A little later your mind may come back to that particular impression made in the brain; then you will *recall* how the pencil point felt. That is *memory.*

The brain a record.—The adult brain is a sort of record of the experiences of life over which, and through which, the mind moves, in much the same way as a phonograph

reproducer moves over the indented wax cylinder. Passing back over the old impressions has the effect of recalling the images of the things which originally caused the impressions.

Brain plasticity.—But the brain is not entirely like the phonograph wax cylinder. Its material is live, plastic, and somewhat elastic or springy. The impressions made by incoming nerve currents are deepest just after the making. The brain matter in the cells gradually springs back, but in most cases it can never recover so far as to obliterate the trace of the impression entirely. If it could, we should remember nothing. As it is, we recall best within two seconds after an experience. After twenty minutes the recoil of the matter has almost been completed. What we can remember that long is likely to stay with us indefinitely.

How we recall.—The succession of impressions from outside upon the brain tends to make a sort of track or furrow, leading from one impression to the next, in regular order. What is meant may best be described by illustration. Imagine an ordinary list of incidents, such as might come to any salesman. Suppose that you are a dry goods salesman. You arrive at the store at eight o'clock in the morning; the weather is clear; the sun is shining; you meet some acquaintances as you enter the building; Mr. Brown, another salesman, you see, has reached the store ahead of you and is busy taking the coverings off the counters and shelves; you remove your coat and hat and begin your work, arranging your stock and wiping up the dust; you see an edge of the cloth on one bolt that looks frayed; you try to improve it by trimming it with a pair of scissors, but instead of putting the scissors in your pocket you place them on a shelf and go on with your work with just a single thought that you may have to use the scissors again soon in a similar way, but the occasion does not arise; the store manager calls you to another part of the store; a discussion arises

on the policy of buying an article of which a salesman left a sample at the store the evening before; then some customers come in; you serve those coming to your department; shortly before noon a customer comes in who buys some cloth; you put your hand to your pocket for your scissors and find them gone. Just what do you do? Your mind seems to jump back in time, possibly to yesterday, and it seems to be able to follow very accurately the line of events that occurred to you. You recall no instance where the scissors were used and not put back. Then your mind retraces the impressions of the events of this morning. Quickly you recall everything, down to the very act of cutting the frayed edges off the cloth. *Then you remember!* The next impression in your brain tells you where you laid the scissors and how it happened. You go directly to the place where they are, and get them.

Conditions of good memory.—There are *connections between the impressions in the brain,* due to the fact that the impressions were made closely one after the other. Each impression stands for an idea, and the clearness and ease of recollection of this idea depends entirely upon the character of the impression and the pathway leading into it. If the pathway is deep and well defined, memory is good; if broken and shallow, recollection is difficult.

Association with other impressions.—There is one other factor besides the *connection of ideas* that assists ease of recall; that is *the number of paths* that lead into an impression. If we have the same thing happen to us, or see the same thing, a number of times in different connections, it is clear that the thing will be represented in a similar number of paths. That is to say, a number of paths will cross each other at a common point, which point is the impression of the thing that has been experienced or seen several times. This is important, since study of mental action shows that the mind does not readily leave paths already made, if,

indeed, it ever does so; hence, if an impression of an idea has but a single pathway that the mind can follow into it, it may be more difficult to recall than if there were several pathways.

How to improve memory.—Applying this knowledge of brain action to practical life, we can readily see how memory can be developed and strengthened. If we desire to remember certain things well, we must consider that recollection comes from the mind's access to and use of impressions in the brain matter. Good memory is characterized by deep, well defined "impressions," with plenty of paths through which the mind can approach the particular "impression" that represents the idea that we want to recall.

Remembering names.—For example, how do you recall the name of a man whom you met some days ago? At that time, you met him coming down the street with a friend of yours. You saw his face, his clothes, his way of walking; you heard the sound of his voice. Your friend introduced him to you as Mr. Brewer. Remarks followed about the pleasant weather, crops, business prospects, etc., and you passed on. Mentally, the meeting resulted in the forming of a new path of impressions in your brain, among which there are several that came definitely from the man you met, through your eyes, the touch of his hand, and through your ears. Among the impressions you heard and spoke his name.

Now, when you meet him to-day, you recognize him at once. You recall the place and circumstance of meeting him, but you cannot at first recall his name. Rapidly your mind runs over the pathways formed on that day, and persistently—nay, sometimes painfully—seeks that little pathway that leads into the impression that will recall the words, "Mr. Brewer." Your mind tries one lead after another, only to find that they do not bring up the name. You hesitate helplessly; then, if your mind is fortunate, it strikes

the right track, the impression is discovered, and you say, "Mr. Brewer."

Science of memorizing.—Now, is there not a scientific way of remembering such a difficult thing as a name? Salesmen need to know how to do this more than any other group of people, unless it be politicians. This is the way it may be done: When you meet Mr. Brewer, get the name clearly, speak it clearly, fasten your mind upon it. That will make the impression deep. Next, say it to yourself while you look at the man's eyes, face, form, and when you hear him speak and see him walk. This will give you many pathways leading into the impression. After he has left you, recall his name a few times during the next twenty minutes. This will fix his name so that you will know him anywhere you may see him, and so that you can call him by name almost the very moment after you catch a glimpse of him.

The same method may be applied in the learning of other things that must be memorized, and with equal success. *Attend* with all your will power to the thing you wish to remember, *repeat* it several times and after intervals of rest, and, lastly, *associate* it with as many of your other ideas as you can. This is the science of memorizing.

Flights and stops of the mind.—The adult brain is criss-crossed in thousands of directions by pathways such as we have described. During all our waking hours, the mind travels through them, from one to another, choosing for itself which course to take at every point of crossing. Its movements are irregular, consisting of stops and flights, the stops occurring in the idea impressions, and the flights along the pathway between impressions. The amount of time spent at each stop varies, but probably averages less than three seconds.

Mental feeling.—Which route shall be taken when pathways cross is partly determined by a special quality of the mind; namely, *feeling*. Every impression brings to the

mind some kind of feeling, sometimes good, sometimes bad, sometimes pleasure, sometimes pain. The mind naturally selects the route which will bring it pleasure. There are some exceptions to this, but, for business purposes, we may assume that human minds constantly seek to be made happy or pleased, that ideas yielding such satisfaction will be welcomed, and that the painful kind will be ignored and spurned.

Pleasure and interest.—In many cases there is no acute pleasure or pain involved in an idea; it may be said to be almost neutral. It is to be noted that such ideas are not particularly interesting. How much pleasure or pain or interest do you feel when I say that John Jones of New York will be promoted next week? The best that you can do is merely to tolerate the reading of the sentence. However, if you had heard that you were to be promoted next week, the idea of promotion would carry strong feeling with it, and surely of the pleasurable kind. Every time your mind would return to it, you would feel a glow of pleasure.

Sense of being right.—Pleasure for the mind is in many cases only the sense of being right, or on the right track. What is thought must be true. The mind always wants to be square with itself. We say that we hate ourselves for taking a false position. A liar can never be truly proud of himself, and a dissembler never truly happy, because of this mental quality of *feeling*. Your mind rebels and objects to going any further with a set of ideas when you find one that is not true according to your past experience. If some one tells you that a yard is forty inches long, you throw the idea aside and never go back to it. The mind never willingly permits you to call black white.

Expression.—Every part of the brain is connected directly or indirectly with the rest of the body, or, at least, with parts of it, by the nervous system. When the mind with

its moving energy receives an idea from a brain impression, it tends to send out currents over the nerves from the brain to the body. Mention a favored toy to a child, and see its face light up with pleasure. The energy of the mind has overflowed from the brain out into the face. Some one tells a funny story. Most of us *see the point*, and the outgoing currents from the brain cause laughter. Some one in Mary's hearing remarks about the frequent calls of John to see her. She blushes—another type of overflow or form of expression coming from the impression. All strong emotions express themselves in the face and body. There are slighter forms of physical expression, often unconscious, for nearly all ideas in most persons; although most of us try to control our feelings, as we call them, so that they will not show. A frank person is one who expresses what he thinks and feels in speech. Common courtesy and tact demand that there must be some repression, at least part of the time. The buyer who shows his every idea and feeling is very much at the mercy of salesmen.

Summary.—To sum up what we have gone over, we may say that the mind works only upon impressions found in the brain, which are brought into the brain by nerve currents. These impressions are connected by pathways along which the mind moves constantly during our waking hours. The presence of the mind in an impression constitutes recall of the image of the cause of the impression. In an adult brain the pathways are numberless, and cross each other in countless points. At each crossing point is offered the opportunity of mental choice. Which direction the brain takes depends in most cases upon the possibility of deriving pleasure or satisfaction from the ideas or thoughts along the possible pathways. The satisfaction may be acute pleasure, or, more frequently, merely a sense of being right. Every impression tends to have some expression when it is in the mind.

CHAPTER V

HOW INSTINCTS AID IN SELLING

Differences in individuals.—The mind works the same in any brain, but the materials upon which it works differ in every individual, because of differences in past experiences and differences in ability to see and grasp impressions. The difference in content (that is, the impressions in the brain upon which the mind works) causes the difference in thought, tastes, opinions, etc.

Instincts the bases of sameness.—The question may naturally arise: if all men differ in mental content (and that is admitted), how can any common ground be found? How can any two people agree upon anything? How can buyer and seller, for example, reach any basis for conducting an exchange? The explanation is to be found in another phase of psychology—in the study of human instincts.

What instincts are.—An instinct is an ability, born in a person, to do certain things without being taught. All living animals have instincts; and in some, as, for example, the bees and ants, the instincts are remarkable. Man, as well as animals, has a large number of instincts, though in many cases they are quite thoroughly covered up by habits and by what has been learned. These instincts are in many cases guides to the mind in its choice. To do otherwise than what instinct demands would frequently be painful. We have here a key to likenesses among men. Common instincts cause many people to like the same things and to agree upon the same things.

If the salesman will begin his selling talk by an appeal to a fundamental human instinct, he is almost sure to get attention, while to begin with a purely intellectual appeal would cause failure unless the customer had had pleasureable experience in the past with something similar to the subject of the appeal.

In some cases, instincts show themselves in man merely as tendencies or feelings. Feeling itself is instinctive. Our instinct for tone leads us to enjoy good music. Certain arrangements of form or of lines, as, for example, in window display, store arrangement, or newspaper advertising, are attractive to onlookers, because of the instinct for good form, balance, and harmony. Certain color combinations seem harmonious to nearly all people because of our inborn instinct for these things.

We give our attention completely and at once to some things, while we have to force ourselves to pay attention to others. This happens because of the presence of instincts drawing us in one case, and the absence of instincts in the others. These facts of human nature are fundamental in all business relations, but especially in salesmanship.

Let us note some of the more specific instincts.

Possession.—Almost everybody has an instinct of possession. We can assume that everybody likes to own things. If we can find out what they like, we can be quite sure that those are the things that they will want to own.

Hunger and thirst.—Everybody has the instincts of hunger and thirst. If we can but find out what kinds of food and drink people have been accustomed to use, and if we can have the opportunity of displaying such foods where they may be seen, we can feel sure of making sales.

Clothing and ornament.—There is a common human instinct or desire for clothing, and not only clothing for the sake of its usefulness in protecting the body from cold and storm, but also clothing because of its esthetic value. In

other words, the instinct for ornament seems to be a double one. We can depend on finding it in some form or other in nearly every human being. Just what may be considered ornament, however, by any people will depend upon what their early training has been. We might safely say that the instinct for ornament is older and stronger than the instinct for clothing; for among the lower races, such as the Australian aborigines and the South American Indians, clothing as protection from the elements is almost unknown, while the instinct for ornament is well developed. The Guiana Indian woman thinks nothing of going abroad in her society without a single article of clothing, but she would not for a minute think of leaving her hut without red and blue paint rings on her cheeks. And, as we study higher and higher races of people, we find that the instinct for ornament remains strong.

Collecting.—The hoarding or collecting instincts are very common. Some of us have the fad of collecting books; others, postcards; others, curios; and others, bric-a-brac; The miser is the type of man who has an extraordinary instinct for collecting money. If we can but learn what particular track this instinct of hoarding or collecting takes in any given person, we may be able to predict what he will be tempted to buy.

Hunting.—The hunting instinct is strong, more particularly in men than in women. The pictures in the advertising pages just before fishing season showing the sportsman wading in the trout streams and struggling with a gamey fish, have tremendous power in arousing this instinct. The same is true of the advertising of rifle and gun houses in the fall before the hunting season begins.

Constructing.—The constructing instinct is another that is common to a great many people. Most of us like to build something or other. Notice how many people there are that are interested in craftsman work. Women who

like to spend their time with fancy work are responding to this instinct. Children who build houses with their blocks are other excellent illustrations. Some furniture houses make much in their advertising and in their salesmanship of the point that their furniture will require some work on the part of the customer before it will be ready to use. This is a direct appeal to a customer's constructive instinct, and seems to be a very successful one. There are opportunities for doing a great amount of business on the basis of this instinct, most of which are yet unworked.

Companionship.—Nearly every one has the instinct of companionship. We do not like to be alone. Our instinct for companionship makes us interested in other people, and makes us buy the things necessary to keep up our companionship with others. Clothing, ornament, games, furniture, books, magazines, art work, and so on, are closely connected with the fundamental instinct of desire for company.

Curiosity.—There is also the instinct of curiosity. This may be said to be the dominating instinct in the shopper who comes to a store and carefully examines all of the stock even if she does not buy; and yet, it is this instinct which underlies the discovery of all sorts of truths, principles, inventions, etc. One who is not curious cannot learn. Curiosity means open-mindedness. By exciting the curiosity of the passers-by, merchants draw much trade. People follow a crowd; the explanation is generally human curiosity.

Imitation.—Everybody has an innate desire to be like other people or at least like some other people. This is the instinct of imitation. Most of the knowledge that we have and most of the things that we know how to do were gained and learned by imitating some one else. Many things we imitate without any consciousness that we are imitating; and this is one of the surest signs that imitation is an instinct. But from the retail merchant's standpoint imita-

tion is an instinct that needs attention. It is the thing that lies at the bottom of the causes of fashion. It supplies the assurance that more than one thing of a kind will be wanted by the people, and that what some want will be wanted by others.

Individuality.—Imitation is antagonized by another instinct that we call individuality, which causes us to want to be different from other people. But individuality works only a part of the time in any person and then usually upon one thing at a time. Imitation governs all the rest of our desires and thoughts. Individuality is another important cause at the bottom of fashion changes.

Miscellaneous instincts.—Then there are the important instincts of *sex* and *parentage*. The window display that shows children's goods and suggests the satisfaction that may come from the using of such goods, must always appeal to the woman whose mother instinct is strong. Besides these there are other common instincts of *fear, anger, play, pugnacity, emulation, sympathy, modesty, travel* (wanderlust), etc., all of which are open avenues to the mind.

As already stated, instincts are the things that make us all more or less alike. Possession, hunger, ornament, friendship, lover and sweetheart, parent and child, are words which stand for things that make the whole world kin.

Habit.—When the mind has once received a certain set of ideas in a given order, it tends to recall them in the same order. The explanation for this seems to be that a pathway has been formed between the brain impressions when they were received, and that this pathway is followed by the mind in recalling anything. In fact, it may be difficult to think of those ideas in any other order; and, after the mind has gone over the same ideas a number of times in the same way, it becomes even more difficult to change the order of thinking. That order becomes a habit of thinking.

Power of habit.—Suppose that we hear the expression "Jones is dishonest," told in such a manner and by such a person that we have no reason to doubt the truth of the statement. Our suspicion will be aroused about Jones. Suppose that we think this statement over several times by ourselves, or hear the same thing from others. The suspicion becomes very much deeper and more firmly fixed. Later we may meet Jones and find that he is a good conversationalist; he may have a good appearance; he may be frank looking; he may hold a position of trust among his own people; we may have no evidence of his dishonesty in any way. He may be perfectly honest, but it will be difficult for us to separate these two ideas in our mind, "Jones" and "dishonest." We shall hold our suspicion for a long time. The power of habit is exceedingly strong.

In a number of ways we all know about the power of habit. Our hands learn to wrap parcels or tie bundles in a certain way, and it becomes difficult to change to another way. We use certain expressions in greeting people, and these become a habit with us. If we smile when we meet our friends the first few times, we are likely to smile whenever we meet them. An idea that pleases us is likely to please us again. The liking for various foods is a habit. When we grow accustomed to anything, we form a habit. A customer who has worn a large, wide hat has formed a habit of wearing that hat; and, if it suited her, it will be somewhat difficult to get her to change to a very much smaller one at once. People have habits in their ways of buying. Some have formed suspicions that they are being overcharged, others that they must always haggle over the price. Some even look upon all salesmen with suspicion. Such habits make the customer a hard one to deal with. A new salesman must work harder to make good than an old one with old customers, because the old customers are not in the habit of trading with the new salesman.

Habit and instinct.—A habit may or may not be in accord with the natural instincts of the customer. Sometimes a habit is forced upon a person against his instincts; so there is often a conflict between the two. In some cases the habit grows stronger than the instinct. Honesty is such a habit. The young child with the instinct of possession takes whatever he wants whenever he can do so. He does not have any appreciation of the fact that it belongs to others. Later, when he learns that he cannot have some things, he may try to take them when not watched. This is following natural instincts. But the ideas of honesty and the wrong of taking things that he should not have, are taught to the child in several ways, until he gets into the habit of thinking of honesty. The temptation to steal comes later, but the idea of honesty and the habit of thinking it is so strong that the desire to steal is overruled.

Business and habits.—So far as possible the salesman should carry on his business in the ways that habit has fixed among his customers, for to upset a habit is always the cause of irritation. New salesmen will meet this problem more frequently than the more experienced; for the experienced salesman will have acquired habits himself in dealing with his customers. Experience is of greatest help simply because it keeps the salesman from doing things that are not habitual in the trade. To know how to treat a customer is largely a matter of knowing his or her habits. Therefore the new salesman should study closely to see what the habits of trading of his customers are, in what way they want to be waited upon, what kinds of goods they have been in the habit of buying, and so on.

Habit is the result of experience and training. Therefore every community and every kind of work produces habits peculiar to it. Often great differences are found among nations—often among provinces or states. City habits are different from country habits. East and West dif-

fer. Farmers differ from miners. Both have ways differing from those of fishermen. Women may have habits of trading quite different from men. To all classes the salesman must attempt to sell in the way that suits them best.

Business must break up habit when it seeks to find a market for a new article, or an article of a new quality. It is here, where habits are broken and irritation is likely to arise, that the salesman's best work can be accomplished. He encourages the change, but allays the irritation consequent upon destroying the old habits, and helps to start and build up the new ones.

All successful retail stores are successful because a great number of people are in the habit of trading there. "Good will," which is so valuable to any business, is nothing but the habit of a great number of people to favor that business. It is such habits that the salesman helps his store to build among his customers. In fact, a customer usually does not pay profits to a store until he has formed the habit of coming to the store. The first sale is hardly ever a profit maker when one considers the advertising, the display, and selling expense necessary to get first orders. Wholesalers and manufacturers have a saying that it is the "repeat orders" that count. The same is true in a retail store in most communities.

Imagination.—We have said nothing thus far about imagination and reasoning. Both are but special forms and combinations of remembered ideas. What we imagine is composed entirely of parts of ideas and of whole ideas already in the brain. Try for yourself, and see how hard it is to think of—to imagine—anything absolutely new or different from anything you have ever seen or experienced. If you think you have succeeded, just analyze the image in your mind, and see if its parts are not made up of parts of other old ideas, and if these do not come from real things. This explanation gives us a valuable lesson on how so-called

originality is developed. We find a so-called original idea is invariably nothing but an ingenious combination of old ideas, brought together by one who has the power to recall easily and the power to combine.

Reasoning.—Reasoning is but the comparison of ideas. The usual method is either to find some proposition upon which we are sure, and then apply that to new or unsure matters; or to compare several new ideas for the purpose of finding a common likeness which we may call a principle.

Deductive reasoning.—We use the first kind of reasoning when we say to ourselves, "All normal mothers want nice things for their children. Mrs. Brown will surely want nice things for her children." We all accept the first proposition as correct. You, as a salesman, make your application of that proposition to a certain normal mother, Mrs. Brown. This reasoning is common in everyday thinking. It is but a comparison of the idea of "Mrs. Brown" with the idea of "All normal mothers." This kind of reasoning is called deductive.

Inductive reasoning.—The other kind of reasoning is used when some customer comes in and asks for an article that is not in stock: followed by a second, and a third, and several more customers asking for the same article. You compare your experiences with each customer; you recall the same or similar ideas received from each one; namely, a want for an article not in stock. *You reason out* the conclusion that the article is in strong demand. You use your conclusion by having the goods ordered. The conclusion was correct if the customers represented *classes* of people and not individual whims, and if the customers were real and not store shoppers sent out by some rival store to lead you into investing your capital in an unprofitable line.

Both kinds of reasoning are common to all people in

business. Both are subject to error, usually from jumping at conclusions without sufficient comparison.

The essentials of good imagination and reasoning are a good memory and an active mind. The first can be trained, as we have seen. The second is the result of mental exercise and good health.

Summary.—Certain facts should stand out clearly as a result of our study thus far, and among these should be the following:

1. Every idea that is to enter the mind from the outside must come in through the sense nerves to the brain. Selling is a process of getting a customer to accept and act upon a certain set of ideas; therefore the work of the salesman must be to present material that is suitable to the senses of the customer and that will cause the ideas desired.

2. Every impression that enters the brain and reaches the mind leaves some kind of mark or indentation in the brain tissue that remains there indefinitely. To recall the impression, the mind retraces its way through this mark much as a phonograph reproducer traces its way over the indented wax cylinder record. The brain tissue is a storehouse of records of past impressions, connected by pathways formed by the mind in passing from one to another. Every new impression coming into the brain is connected by the mind to the older impressions; in fact new ideas can scarcely be grasped unless they can be connected to those that have already been in the mind. The problem of the salesman is to present his ideas to the customer so that the connections between the new and the old ideas will be made easily in the customer's mind. To this end it will be of great help to the salesman to know something of the past experiences of the customer.

3. The mind of a person travels through the brain and nerve tissue from impression to impression at a definite rate of speed, which may be different for everybody;

therefore, in the presentation of ideas or impressions to a customer, the salesman must be aware that they can have little or no effect unless presented at about the same rate of speed that the customer's mind can grasp them, one after the other.

4. *Every impression* that enters the mind is accompanied by some feeling either good or bad, pleasing or painful, satisfactory or unsatisfactory. The mind naturally turns away from the bad, painful, or unsatisfactory impression, and turns towards the good, pleasing, or satisfactory. Favorable action of the will of the customer can only be obtained by presenting such impressions as will produce good, pleasing, or satisfactory feelings; hence, the salesman must be tactful and sympathetic as well as clear-cut in his presentation of ideas and in showing his goods.

5. Whether an idea that enters the mind of a person shall be accompanied by pleasing and satisfactory feelings or their opposites, depends upon the following: the possibility of the ideas being used to bring further satisfaction; previous experience with similar ideas, and their results; and the natural impulses or instincts of the individual. A salesman's presentation appeals if possible to all three—the customer's future satisfaction, his past experience, and his natural instincts.

6. Interest in preoccupation of the mind with ideas or impressions that are pleasing or satisfactory to the mind, and is caused by the pleasure or satisfaction derived from those ideas or impressions. If the interest concerns any material object or service that can be purchased and, therefore, enjoyed continuously or repeatedly, the interest naturally grows into a desire to purchase, or to own, the thing or the right to the service. The salesman must seek to interest the customer in the facts concerning whatever he has to sell in order to excite the desire to purchase or to own that particular thing.

7. Every impression or idea that enters the mind tends to express itself in some outward manner. Most of such expressions are controlled by the average person, but it is upon the interpretation of such expressions as show themselves that the salesman judges whether or not he is presenting the right kind of impressions or ideas. To read a person's thoughts means simply to interpret what that person is expressing by his action, appearance, speech, etc.

These seven fundamental facts of psychology lie at the bottom of the science of selling. They must be clearly understood by every one who wishes to grasp this science. With these facts as a basis one can begin to understand the reasons for the success of good salesmen, as well as the reasons why some selling and advertising methods are successful and others are unsuccessful.

CHAPTER VI

ATTRACTING ATTENTION

The salesman's service.—We can best show the application of psychology to selling by first presenting an outline of the work that the salesman must do. Among the customers who come to a store there are in general, first, those who have clearly in mind what they want and who come to the store to get it. Secondly, there are those who know their wants, but do not know exactly what will supply them. For example, a person of this second class may want a cold cure, a hammer, a pair of shoes, or a coat; but he may have no idea as to what particular kind would serve him most satisfactorily. Lastly, there is a class that we may call store visitors or shoppers—those drawn in through curiosity, or who come in with friends, in neither case intending to purchase anything.

The first class simply need some one to wait upon them expeditiously and accurately. The second class need the attention of a salesman who can properly present the goods of the store so as to sell what will give the customer the best satisfaction. The third class, with which we may also include customers who have already purchased all that they had in mind to get when they entered the store, require real salesmanship. The work of the store in connection with this third class of customers is to serve them as fully as possible by bringing to their attention desirable goods, and, if the attention should ripen into desire to own, to

make the sale. In fact, the success of many a store depends almost wholly upon these extra sales, for the ordinary sales resulting from the taking of orders may not in themselves bring in enough profit to pay the expenses of running the business. If done rightly (psychologically), as we shall show, customers will feel pleased, even complimented, at this service. At its best, this service anticipates the customer's wants before they have been expressed. This saves his thought and energy which he might afterwards expend in coming to the conclusion to get the goods, if the salesman did not put the goods before him now and convince him that he wanted them. By means of this service plus the help of advertising, which is but a special form of salesmanship, people learn the use of new foods, different makes in shoes and garments, late inventions in tools, and so on.

We shall give most of our attention to the kind of salesmanship required by the third class—those who have not made up their minds to buy.

The conduct of a sale.—Suppose a lady enters your department (more than eighty per cent. of the customers in the retail trade are women) and comes down the aisle slowly without any apparent objective point in mind. You approach her, and make inquiry as to how you may be of service to her. She replies that she is not interested particularly in anything, and that she is just looking around, or that she came in with some friend, or that she is waiting for some one. It has become a fixed custom in this country to give people the privilege of going about in a store without buying. This was something unheard of in England until very recently. You are a skillful, we shall say, a scientific salesman. You accept the visitor's explanation, and extend the hearty invitation, which is a policy of your house, to make herself at home. You engage her in conversation upon some point that you are sure will in-

terest her, and artfully call her attention to some article of new design, with which, you judge, she may not be familiar, but with which you think she might be pleased. She examines the article first carelessly, but later, under the direction of the right suggestive selling talk, with marked signs of interest. You note that she looks for the price mark or inquires the price; and you begin to feel that things are coming out fairly well. But she objects to the price. You answer with arguments, showing the quality and pointing out that the price is really not too high; and in the meantime give her added reasons for ownership, and give her opportunity to gain impressions from the article through her eyes and hands. She wavers a moment; you add another clinching fact; and she buys the article. This is real salesmanship—not to sell people what they do not want, but to anticipate their wants and sell them now what they really need, what they will be highly satisfied with, and what they will probably purchase elsewhere later on if you do not sell them now.

The customer's state of mind.—Let us consider what took place psychologically in this sale. The lady who came into your department possessed a mind, a brain, and nervous system, with its way of working very similar to yours. But the content, the ideas recorded in her brain, were probably very different from yours. Her mind traversed the pathways and impressions which had been formed in her brain by her past experiences, including everything she had ever heard, seen, and done, while your mind traveled along the pathways formed in your brain. But since you are a salesman, you are constantly turning your mind in the direction of other people's minds so that you may learn what other people think and how they think it.

Getting the customer's attention.—The customer was thinking her own thoughts, and was interested only in these, and not in yours. As a salesman, it was your work to

break in on her path of thinking and introduce some impression that would cause her to follow the line of thought that you wanted her to follow. In other words, *you had to get her attention.* This was the first step in the sale.

In the case of the customer who comes into the store knowing just what she wants, attention is already present. The mind is already engaged in a line of thought which should result in that final idea that every salesman wants the customer to express: viz., "Yes, I will take the goods."

Interest.—In the case of the uncertain customer, however, you had to get the attention. But more than that was necessary. She might have given the object only a moment's notice, and then allowed her mind to retrace its old track; so you immediately began to hold her attention to the article by telling her of its qualities and uses. You presented those first which in your estimation would be accepted favorably. You were very careful to avoid antagonizing her in any way. You watched her eyes and face intently to see whether she was becoming pleased or bored by what you were telling. You watched her eyes to see what she seemed interested in seeing, and you told her about those things in a plain, sensible way. Once or twice you may have said things which caused her face to cloud a little. You noted it quickly and began talking on other points at once. As ordinarily expressed, you were tactful. Gradually her eyes and face brightened. Finally you noted a real look of *interest.* This was the second step in the sale.

Increasing interest.—The customer began now to ask questions about the article. Her mind was working in the path that you wanted it to work in. Henceforth it was your task to keep her in this line of thought until the sale could be made. So whenever her mind started to run off on some tangent, you brought it back to the goods; and when

she offered some objection to the goods, you answered the objections so fully and fairly that she became satisfied and more deeply interested.

Desire and action.—With no overpowering objections left, her interest naturally became strong *desire.* Her instinct of possession had been set to work. This you guided into expression and action by stating in a few words some of the article's strongest points, and possibly, by repeating in different form those arguments that seemed to have greatest weight during the early part of the sale. Her mind resolved to possess, and the sale was made.

The steps in a sale.—There were, then, four distinct psychological steps or stages in this sale. These were: first, getting the *attention* of the customer; second, intensifying the attention into *interest* in the article; third, ripening the interest into *desire;* and fourth, causing the desire to assert itself by inducing the customer to make the *decision* to become owner. These steps are found in every complete sale. In the case of the first class of store visitors, referred to on a previous page, some external force, such as the store advertising in the newspapers or circulars, or some other person may have created the attention, the interest, and even the desire to buy. All that is left for the store and its salesmen to do is to give the customer what she wants and to receive her money or promise to pay. In the second class of customers, there is a general interest and readiness to give attention upon being shown the goods. In their case, too, interest and attention may have been partly built up by some means before the customer entered the store. Possibly a single line of advertising, such as "Are you going to paint your house this year?" suggested the line of thought that resulted in the call of the customer at the store to ask to see samples of paint. Possibly a window display caught her attention and brought her in.

In some cases the transition from one step in the sale to

the next is a process requiring but a moment's time; in others, it takes not only much time, but, also, great force of argument. Life insurance salesmen often have prospects whose attention and interest have been aroused, and who even have a strong desire for the protection offered, but who simply hesitate for months before making the decision. These transitions between steps, this "making up one's mind," is one of the most interesting studies of human nature in the world. There is no place where it can be studied so well as from back of the store counter.

Practical illustrations.—Let us now consider some of the best store practice in the light of our study. We shall find that a number of excellent means have been discovered and devised to assist in getting the customer through each step in the sale, from attracting his attention to obtaining his decision. Only a few methods can be given, but enough must be enumerated to show the salesman just how he can go on in his study of the subject with special reference to his own selling field. Naturally the same sort of devices for getting interest will not work equally well with all sorts of customers, or in all sorts of retailing. Our brief study of psychology should have made clear at least one thing, and that is the absolute necessity of treating each customer, let us not say, differently, but rather, in the way most suited to him. This means that we must make changes in our selling plans, not merely for the sake of the changes, but for the purpose of fitting them to the individual customer.

Advertising.—Every up-to-date store attempts to attract the attention of possible customers in a number of ways. In doing this the work of salesmanship is extended beyond the bounds of individual selling. Advertising is, of course, the principal means by which a store seeks to get the attention of the public to what it has to offer. It may be said that the chief end of advertising is to attract attention,

although the best advertising carries many people over from the state of momentary attention into interest, desire, and even decision to purchase. Mail-order houses depend upon advertising alone to sell their goods. This is advertising raised to the highest power. If we study mail-order advertising, we shall see that the advertisements are intended to carry the possible customer through the entire four stages. In many cases this is very cleverly and most excellently done. The mail-order advertising man must be an expert in his profession. He must be a salesman with a full knowledge of how sales are made. It will pay any salesman who desires to study the methods of selling talk used by others, to read carefully the advertising done by these experts. Average retail advertising, however, is considered fairly good if it attracts the attention and arouses interest, and leaves to the store and its salesmen the work of getting the customer's mind through the other two stages of a sale.

Window display.—The store window display is another very powerful factor in attracting attention. There are few people who can say that they have not been stopped by window displays. All have had the experience of being arrested for several moments, even if they were in a hurry. Many of these persons were afterwards drawn by interest into the store to see the goods, and to purchase. The manager who does not have effective displays prepared for his windows is only a *storekeeper,* not a merchant or a salesman.

Store display.—Another means of getting the attention is by proper inside store displays. You cannot tell all about all of your goods in expensive newspaper space, nor even in catalogs; nor can you put all of your goods in the windows. There are many articles that will be purchased by the customer after coming into the store if she is reminded that they are for sale by having the goods attractively displayed where they can be seen.

Advertising an aid to selling.—As advertising, window dressing, and store display are subjects of such importance that they should be treated of separately and in detail, no further mention of them will be made at this point except to indicate their purposes in the business, and to show that they are intended as aids to the salesmen; they capture the attention, at least, and arouse the interest, if possible, of many more persons than the salesman in his department could ever reach with his own efforts alone. The salesman's work is simplified by the fact that often much of the real selling has already taken place before the customer faces him. On the other hand, more intelligent salesmanship is now required than ever before, since not only must the salesman carry out his own complete sales, but he must also know how to co-operate in the best way with, and make use of, the services of these special aids in salesmanship. This calls for a *knowledge of principles* of window-trimming and advertising, although ability in the arts of window-trimming and advertising is not essential for the salesman.

How to get attention.—Let us consider the means, for which the salesman is responsible, and which he has at hand, to get the attention of the customer who has come into his store. There is, first of all, the salesman himself. We have already considered certain attributes which he, in common with other business men, should possess. Here let us consider those which apply particularly to salesmanship.

Salesman's appearance.—In getting the favorable attention of most customers, the salesman's appearance counts for a great deal. A good form or physique, well balanced, its action well under control, is always pleasing; and the opposite is often displeasing. Shuffling feet, stooping shoulders, hanging head, drooping mouth, lax motions and positions, while probably not consciously distasteful to

many, are nevertheless not pleasing, and are positively distracting to a few. Every salesman should and can cultivate good physical bearing. He needs to be erect (not so erect as to bend backward), with head up so that the eye can look out on a level without turning up; with firm, quick, elastic step. He needs a deep, full chest not only for the sake of appearance, but for the sake of health as well. People with large, deep breathing capacity resist disease and do not tire easily. If a year of military service can straighten out most men so that they will have most of these qualities, any individual can do the same thing for himself by simply making up his mind, and keeping it made up, to practice for improvement in the characteristics in which he is deficient. You can afford to build up good physique and good physical bearing. It will pay you well.

Cleanliness.—The salesman must be scrupulous as to cleanliness. Better too much of this, by far, than too little. This is a principle that should be applied generally to person, hair, nails, nose, teeth, linen, clothing, shoes, stock, counters, fixtures, floors, and the entire store building. It may be said that many customers do not care about these things. *But some do.* And hardly any of the careless ones will be anything but pleased to see the immaculately clean store, goods, and salesmen. Whatever the changes in fashions, there never will come a vogue in musty smell, dust-dye, and fly polka-dot designs. The policy of the store and its salespeople in these respects should be to aim to keep the store in the condition that will be satisfying to the most careful, exacting housekeeper in the city. If you can get and hold *her* favorable attention, so that she will not be ever so gently shocked by any uncleanliness, you can be sure that you are not going to have trouble upon this point with anyone else.

What customers do not like.—There are a number of other points the psychology of which needs to be studied

by the salesman. Many people do not like to see gum chewing or tobacco chewing, nor do they like tobacco smoke. The salesman who is addicted to these things will likely lose the customer who dislikes them. Bad breath is fatal to a salesman's success. Do not guess about your breath. Get some frank friend to tell you if your breath is all right. If bad, cure it. This can be done; your selling will improve, and so will your health. Customers have come away from some stores, vowing that they would never go there again, and their reason when finally discovered was that so many saleswomen on every side were constantly "fixing" their hair. One man customer in such a store said he felt as if he ought to retire from the room, as it was evidently a ladies' dressing-room. Any special mannerisms of action or speech are dangerous, and make it hard to get the right kind of attention.

Unfavorable attention.—The aim of selling is to get *favorable* attention for the *goods,* and not for anything else. The overdressed salesman, striking jewelry, unusual coiffure, all get attention, but the attention all goes to the person and not to the goods. A salesman is not trying to sell himself. His appearance, dress, manner, and even his voice and speech should be such as to be *unconsciously* pleasing to the customer, but to attract no mental comment whatever.

Business harmony.—The business of the store is to sell goods, and everything in the store must be in keeping with this aim. The more thoroughly the surroundings and the salesmanship harmonize and blend with the impressions made by the goods, the better it is for the business. The most successful salesmen are those who most fully live up to this principle. You advertise, you appeal, you suggest, you make statements, but always about your goods, and not about yourself.

Dress.—In keeping with these principles the salesman

needs to be *well dressed for his work.* Dress should be neat, in good order, and becoming. In many establishments dress has become a vital problem, and one that is often difficult to handle. Most large department stores require their saleswomen to dress in a uniform, of, say, black skirt and black shirtwaist with white neckwear during the six colder months of the year, and black skirt and white shirtwaist during the six warmer months. This, it has been found, is the most satisfactory solution of the problem, although there is just a single item of undesirability about this, and that is the likelihood of the uniform's drawing some attention to itself. There are few salesladies who do not look becoming in black and white, if the costume is neatly made. Its sensibleness appeals to nearly everyone. A business should look prosperous, and so should its salespeople.

Voice and speech.—As already suggested, the voice and speech of a salesman are highly important. A good voice may be cultivated by anyone who has not the handicap of physical defects in his vocal organs. A salesman should try to pitch his voice in an easy speaking, natural, average key, and to speak very clearly and distinctly, but without any mannerisms or effort. If you cannot get some capable, frank friend to tell you of your faults of speech, just shut yourself into a room alone. Begin talking to yourself in various keys, and in different ways, and try to make permanent the keys and ways that seem best to you.

It is a failing to permit business language to grow so flat and confused that a stranger has difficulty in understanding it. Look out for such little things; avoid slang; use the best English you can; make your words simple, plain, and short. Know what you want to say before you say it, and then say that and no more. Never speak affectedly like an actor or actress. Never act. Be real.

Selling is real. Your desire to sell should be real. Be in earnest. These are good rules, which every salesman should make a part of himself.

Instinctive attention.—In continuing the study of the best conditions for obtaining a customer's attention, we may note that there are certain things that attract the attention of most people instinctively. In the previous section we described some of the instincts briefly. Appeals made to instincts usually get attention. Things in motion are much more likely to attract attention than things that are still, and living things have more attraction than inanimate objects. In a similar way, certain color combinations and form arrangements are more successful in catching the eye than others. What these are we shall consider under the subjects of advertising and window and store display.

The salesman's approach.—In regard to the approach that the salesman makes to the visitor, it is clear that he should walk briskly forward to meet her. That action will draw attention, and if appearance and manner are not objectionable, the possible customer will not only be ready to listen but also to be open-minded to any suggestion the salesman may have to offer; that is to say, she will be in an expectant attitude.

Salesman's manner.—Now, if to a good appearance the salesman adds a pleasing manner, the first impression—that most valuable of items—will be good. Some salespeople greet the customer with a smile. That is well, if the smile is real, and grows out of a pleasure that the salesman feels in having the opportunity to serve a customer. A slight smile at greeting gives the impression that you are glad to see the customer. Cultivate it, but don't grin.

Salesman's eyes.—The salesman's eyes should express intelligent interest in the customer. A stare expresses curiosity but not interest. Do not stare. Any salesman who

is really anxious to serve the customer will show such desire by a live expression. An expression of willingness to serve warms the heart of most customers, where a stare chills. Dull eyes do not sell goods.

Where there are several salesmen at liberty, only one should pay any attention to the customer, and that one should be the one who is to serve her. It is disconcerting to come into a store and to see several pairs of eyes, particularly salespeople's eyes, turned toward you. To have more than one salesman trying to sell a customer is likely to impress the customer with the idea that the store is too eager to get her money.

It has been the experience of everyone to go into a store for certain goods, and to be met by some "order-taker" with a languid look in his eye and with all the indications of being bored. This sort of thing is enjoyed by none. When met by a bored salesman, some people do not even buy what they came in for; many others buy only what they want as quickly as they can and make for the door; and some never come back.

Forms of address.—Stereotyped forms are bad in dealing with human material, but none are worse than the opening expression frequently used by salesmen. What one usually hears is, "Something?" "What do you want?" "Do you want something?" "What will it be?" "Do you wish to be waited on?" and so on, in various tired, listless tones. Much better forms of address, and entirely proper under all circumstances, are the following:

"In what way may I serve you, Madam?"

"May I help you, Sir, to find what you want?"

"May I assist you in some way?"

"What may I show you to-day?"

"Is there anything that I can show you?"

Do not memorize these forms, but study the spirit which they express. Catch that spirit, and then express it in

your own way, but be careful to observe the best polite usages as to form. As an example of usage—"Madam" is better form than "Lady"; "Sir" is better form than "Mister." Study the meaning of your expressions from all possible points of view. Study your methods of saying the words, and then follow in practice that which seems best and that which seems to work best.

Know the names of customers.—If a salesman knows the name of the customer, a warm friendly salutation in which the name is used is almost a certain means of getting the customer's full attention. What you have to offer next will get a hearing. Whatever your position, in however large or small a city, it is well to begin at once to remember the names of people so that you may know them when they call at your store. The salesman who knows many people is worth much more than one who does not—other things being equal.

What to do next.—What to do after the opening address will depend entirely upon what course the customer takes. If she is interested in any article, she will probably mention it. You can at once show her what she wants to see, or direct her to the place where it can be seen. If the goods are not in your department, and you find it impossible to go with the customer to find them, your directions should be very carefully and fully made. This is an opportunity to make a good impression upon the customer.

Giving directions.—It must be remembered that the customer may not know anything about store departments or names of parts of the building. Where there are many foreign-born people, this problem is indeed real. You will find those who do not know what the word "basement" means, or what "third story" means. There are still numbers of people who know nothing about an elevator. The salesman will never take any chances of being misunder-

stood. He will give clear, intelligent, kindly answers to the inquiries made of him.

Suggestion in getting attention.—After the customer has been greeted by the salesman, if she replies that she does not care for anything, she should not be *urged* to buy. That would be a form of hold-up. The salesman should try a *suggestion* or two. In the meantime the salesman has watched the eyes of the customer, and he remembers what caught her eye on either side of the aisle before he addressed her. He may offer to get, and to show her, some of these objects. Or, he may reason from such evidence as she presents in clothes, fashion, age, amount of care depicted in her face, tone of her voice, her speech, and other things, what her place in life is, and what might appeal to her. From this he might simply contrive to have her see goods that probably would be such as she would want. If the customer's look indicated any glow of interest, the salesman might begin a description calculated to heighten this interest. The goods presented might suggest to the customer wants that she did not think of before. They might suggest satisfactions to her of which she had never before known.

Transferring attention.—When you have a customer who has just made a purchase, and you desire her attention to other goods, a tactful address somewhat as follows might be used successfully: "We have just received a new invoice of flour, Mrs. A., which is pronounced excellent; and we should be pleased if you, whose good bread is so famous, would give us your opinion of it." Or: "We have a new line of silks, which we think very pretty and cheap. We should be glad to have you look them over and tell us what you think of them."

The salesman's guides.—How to get the attention of a customer is a problem for the salesman's ingenuity. In most cases, salesmen, even the best of them, stumble toward

attention, and then trust to quick use of wits to retreat or push on according to the impression made on the customer. The customer's eye, her position, her facial expression, what she says, are the guides to the quick and knowing eyes and mind of the salesman. A good salesman depends for encouragement almost entirely upon such unsolicited expressions. He asks but few questions, and then only those that are absolutely necessary. He begins to show goods as soon as possible. He certainly does not begin with that most untactful question: "What price did you want to pay?" or "How high do you want to go?"

Non-attentive customers.—When a customer does not give her attention at all, and does not leave, the salesman will vary the usual selling talk to try to capture the attention. There are various ways to do this, all based on psychology. One is to stop talking and to discontinue all movement abruptly. Quiet waiting frequently has the desired effect. Sometimes looking the customer squarely in the eye, and transferring your look alternately from her eyes to the goods will tend to draw her eyes to the part of the goods which you are describing. Some salesmen ask for attention and sometimes get it in that way. This is effective only with absent-minded people, however, who do not mean to be inattentive. For the mind-wanderer some clever trick, unusual expression, or change from the ordinary may be needed to bring back her attention to your goods.

CHAPTER VII

AROUSING INTEREST, DESIRE, AND DETERMINATION

Getting customers interested.—After the attention of the customer has been obtained, the next step in a sale is to transform the attention into warm interest. In other words, the salesman desires to center the mind of the customer on the article for sale. The salesman wants the customer to give careful thought to the impressions that he seeks to make. He also desires to make all feeling in the customer's mind regarding these impressions pleasant or favorable. The attention must be keyed up, and all objectionable ideas must be removed as fast as they appear.

Methods.—In order to get the customer interested, every salesman follows certain psychological principles. He makes his appeals to the senses—to hearing by talking, to sight by showing the goods, to touch by letting the customer handle them, and so on. He appeals to the customer's imagination by leading her to think how the goods will look in use, how they will wear, how they will be appreciated by others, how effective and how useful they will be; and he appeals to her reason by having her hold and compare both the ideas of quality and of price in mind at the same time, and by the tactful dislodging of any objections that may arise. He follows one idea with another so timed as to approximate the rate at which her mind moves from idea to idea—say from one-half of a second to three

seconds for each idea. He is careful that each idea is made simple, clear-cut, easy for her to get, and deeply impressed, before going to the next.

Tact.—He continues to watch her eyes and facial expressions for tendencies of dislike or displeasure. He shifts his selling talk in accordance with what he learns in this way. He tries to take her point of view, to select from his goods what will give her the most satisfaction. He is more anxious to please her than he is to sell his goods. But he hopes to have her pleased with his goods.

Get customer to say "yes."—To make sure that he is on the right track the salesman invites the customer to express her opinion of the goods, but he also endeavors to present goods and arguments that will bring favorable expressions. Some salesmen try to get their customers into what we may call a "yes-saying" attitude of mind. They start in by making remarks that they are sure will bring an affirmative response, a "yes," or an affirmative nod of the head. These are followed by other remarks more directly related to qualities of the goods, and all eliciting "yes" from the customer. The customer thus gets into a favorable, affirmative state of mind. This is nearly always pleasurable, and the final decision to buy comes much more easily than when the customer has been given the chance, if not the suggestion, to make objections and negations about the goods. When these have entered the mind, they also make impressions, and they are likely to stay there in modified form, even if completely answered by the logic of the salesman. The customer is never so sure that the goods are the best for her as when she has never had a thought of any undesirability about the goods before the sale was closed. Anyone who will try this will readily see that after he has said "yes," has thought and has given it emphatic physical expression, he does not readily change right about and take a negative attitude.

Anticipate objections.—The salesman answers as many objections as possible before they are made. He does so in this way: he *states the qualities and uses of the goods so clearly and so completely as to cover the objection if made, but he does not suggest any thought of the objection itself.* He prevents the objection from being raised, by the fullness of his descriptions. If objections are raised by the customer, he answers them fully and frankly. He does not beat about the bush in this, for to do so would arouse suspicion as to his intent to be perfectly square.

Frankness.—A salesman must tell the truth. If an employer expects him to lie, he owes it to himself to find work elsewhere. A salesman should always be frank, but this does not mean that he should describe his goods as follows:

"Here is a piece of goods that is so coarse that you can shoot peas through it, and all cotton at that, although it is marked half wool. It will fade at the first wearing. How many yards shall I tear off for you?"

Nor should he follow the example of the grocery clerk, who said to his employer in the presence of a customer who had bought some prunes: "You must be glad to sell another pound of those wormy old prunes. They'll soon be all gone."

These cases represent frankness that is destructive. The real salesman could admit all the bad qualities of the cloth described above, but if the description were accompanied by a statement of the purposes or uses of the cloth, he might still make a sale when offering the goods to the right person, the one for whom the goods were made.

The second illustration is a type of what may be called brutal frankness. Both grocer and his clerk were in the wrong. There is a maxim among business men—"Don't knock." It has psychological significance. The affirmative side, and not the negative, is the one that needs attention.

Influence of knowledge.—In holding and building up the interest of the customer, it is clear that the salesman who knows his goods thoroughly and speaks with the authority of one who knows, has a great advantage over the one who is not so thoroughly informed. Indecision on a salesman's part is always likely to break a favorable chain of thought in the customer's mind. The indecision of the salesman is communicated to the customer, and the sale is lost. All people listen attentively and respectfully to the recognized authority, even if they do not need what he has to offer. It pays to build up a reputation for expert knowledge as well as for absolutely square dealing in business.

Fixing the attention.—The salesman attempts to fix his conditions so as to eliminate all distractions that are likely to claim any of the customer's attention. Wherever and whenever possible he asks her to sit down. None of the other salesmen in the vicinity are supposed to have any interest in the transaction whatever. Disagreeable noises, smoke, dust, and odor all detract from the possibility of making sales. Above all, the salesman engages the customer's entire attention by talking directly to her, in a clear tone of voice, but just loud enough to be heard distinctly by the customer. In return, he pays the closest attention to what she says. He yields to and appreciates her point of view. He is sympathetic, and he never dictates. What he says as an authority is not stated in the voice of a military commander. He relies upon the importance of his ideas to give the right impression, rather than upon importance in tone and manner of speech. He gives his judgment only when it is asked for. The regular selling talk is made up of facts, with the assumption that the customer will judge for herself. But with all his quietness of voice and manner, the real salesman is more anxious to please than to sell, and for that reason he is successful in selling.

Humor not permissible.—Joking, funny stories, humor of any kind is dangerous in selling. Business is serious, and when people are considering parting with their good, hard-earned dollars, they are usually not in the mood to be joked with, even though they joke and smile themselves. The professional salesman has a dignity which, though it leads him to appreciate the humor brought in by the customer, does not lead him into the mistake of displaying any of his own amateurish attempts in that direction. The impressions of truth, quality, and efficiency are best conveyed by earnest, interested speech and appearance. Then, and then only, the words ring true.

Illustration.—Before passing to some more concrete illustrations of the methods of interesting customers, let us give a moment's attention to a possible situation. The following is copied from some recent advertising. It illustrates excellent work on the part of the saleswoman in getting attention not only for the article wanted by the customer, but also for other things that she had planned to buy elsewhere. It also shows great ability in holding the customer's interest:

Clerk: "Good morning, Mrs. Henderson; you are bright and early. What time did you leave home?"

Mrs. H.: "We started at 5 o'clock; had a load of onions and got them shipped on the 7 o'clock freight."

Clerk: "What can I do for you this morning?"

Mrs. H.: "Oh! I don't know. I need a pair of kid gloves, and some French concern sent me a little book about the Simmons LaForce Kid Gloves, and it said that you sold them. I want to match this sample."

Clerk: "Oh, yes! What size?"

Mrs. H.: "Size 6¼. I always like my gloves comfortable."

Clerk: "I see; the LaForce, being French kid and made

in France, are sized in French sizes, so I'll measure your hand and see what will fit you."

Mrs. H.: "That's all right, but I know my size."

Clerk (measuring her hand): "Yes! Your number is D, and I'll put them on for you."

Mrs. H.: "Well, I'm in a great hurry, and have to meet my husband, so I'll not bother you; I can put 'em on just as well at home. I don't want to wear 'em to-day."

Clerk: "Oh, it won't take long; and you know we warrant them when they are tried on here, but we dont guarantee kid gloves unless fitted; besides, I haven't seen you in a long time, and want to have a minute's visit with you." (Clerk all the time being busy stretching and powdering the gloves.)

Mrs. H.: "How long will it take?"

Clerk: "Not over four minutes. By the way, what else have you on your list to buy to-day?"

Mrs. H.: "Oh, dear! Lots of things, but all I need here is this pair of gloves."

Clerk: "Perhaps I can help you. Aren't you going to need a cloak this fall?"

Mrs. H.: "Yes. I've just got to get one; but I got a card from Brown's with some samples of cloth, and I thought I'd go over there and look at 'em—they have one that, from the picture and sample, suits me."

Clerk: "At what price?"

Mrs. H.: "$12.50."

Clerk: "Well, while you are here, look at ours at $10.50. I think it will suit you as well. I'll show it to you in a minute, or ask Mr. Jones to. You know we want your trade, and will do as well as anyone, or better," etc. (By this time clerk is fitting the gloves.)

In this illustration, the saleswoman's beginning is splendid. She knows the customer's name and many other things about her, or she could not be successful in what

follows. It will be noted there is a struggle all the way through, due to preconceived notions held by the customer, which, in their turn, had been built up by the advertising of a competitor. Most salespeople would have been flustered at the customer's remark that she was in a hurry to meet her husband. Not so with this one. Note how tactfully she gets the customer to try on the size that fits her best. The size she asked for might have been entirely too small. And while the saleswoman is trying on the glove, the opportunity to sell other goods is improved. Notice the appeal to the instinct of saving or economy by mentioning a lower priced coat than the one offered by the competitor. No comparisons are made by the saleswoman; comparisons are made readily enough by the customer. Another point is illustrated, and that is the saleswoman's knowledge not only of her own line, but also of the stock of the house—in this particular case, the price of coats. This is retail selling of a high grade, and this saleswoman and every other who can do as well deserves high position and good salary. She earns both.

Impressions.—Observe the practice of good salesmen in their efforts to get customers interested. Most good salesmen get the article into the hands of the possible customer as soon as possible, and then make suggestions to induce the customer to feel the texture, weight, or other qualities. People differ in the ways in which they get their strongest impressions. Some are called eye-minded, which means that they get their clearest and best impressions through sight; others are ear-minded; and still others get their strongest impressions through touch or handling. All who are not defective get impressions through all three ways. But if a salesman should encounter a customer whose best impressions came through touch, and if he should fail to have the customer handle the goods, the chances are that he would lose the sale. The mail-order advertiser recognizes this,

and makes use of the principle of suggestion. He describes how the article feels and how it works so that the customer can clearly imagine these things. The lesson is obvious, and has already been pointed out. Salesmanship will take no chances, but will make its appeal through *all possible senses*. Many a grocer could reap a harvest from judicious sampling of ready-to-eat foods, teas, coffees, condiments, etc. The principle is capable of successful application in a great many more ways than have yet been tried.

Naming price.—The question of when the price should be named is sometimes raised. There is much reason for the following common practice. Whenever the customer asks the price, tell it at once, without hesitation, just as you would answer any of her other questions; otherwise mention the price only after you have described the qualities of the goods fully.

There is great danger in mentioning to the customer the cost of the goods to the merchant. Any hint in this direction sets the mind of the customer off on a very undesirable as well as irrelevant path, so far as the store and the sale are concerned. There need be no stated relation between the cost of the goods and the selling price. If asked about these matters, the salesman can always respond truly that there is a rule against speaking upon this point.

Patience with customers.—A salesman should never lose his temper. But it sometimes happens in the case of even the best salesman that a customer tries his patience almost to the breaking point; or there may be some element in the personality of the customer which strongly antagonizes the salesman. To a good salesman this will happen very rarely. It seems that the best thing to do under such circumstances is to talk less and to show more goods. When talking, one's inner feelings are likely to be made evident, but by keeping quiet and exercising self-control, antagonism

may not become evident, and the sale may be carried out successfully.

Turning over the customer.—In case it seems for any reason that the salesman cannot make the sale, there should be a well understood arrangement whereby the customer may be turned over to some other salesman. This "turning over a customer" can be made a fine art. In shoe stores, the salesman, on failing to sell after trying his best, introduces to the customer, by name, "the head of the department," "the manager," "member of the firm," or "the proprietor." The effect is usually good. The customer feels complimented at the desire of the store people to serve her, and the sale is likely to be made if the store has suitable goods. The same or similar plans can be made effective in all sorts of retail stores. Some such plans are a part, or should be, of every store organization.

Psychology of interest.—When our interest in a thing becomes strong, we instinctively want to possess it—to make it our own. This is true for all people; hence we have here an effective general principle growing out of human instincts and applicable to the business of selling. If, now, we consider the power of the individual's demand for what he feels necessary for his existence, his comfort, and his happiness, we have the basic reason for buying. The salesman sells when, with his assistance, his goods have aroused the feeling of interest in the customer to such a point as to cause the customer to decide to own them.

When we analyze the matter carefully, we find that a person is hardly ever interested in anything that does not make an appeal to his sense of self-preservation, his personal comfort, his satisfaction, or his pleasure. Interest is almost always selfish. This is as it should be. It is a law of nature. The interest one has in other people ministers to one's satisfaction or pleasure, or it would not exist at all. A mother's instinct makes her interested in her child. Can

we think of a mother not getting any satisfaction out of this interest? This interest in a normal mother is her greatest satisfaction, often the most acute pleasure. If she loses satisfaction and pleasure in the child, you may be sure that her interest is also breaking down, as are, too, the powerful instincts of motherhood. The point we are to draw from this is that, to get persons interested, you must give them ideas that they will want to make a part of themselves, that they will want to call their own. So in selling goods, you will get people interested in goods when they see clearly how much they need them, and how much the goods will contribute to their living, safety, comfort, and happiness. And, since human satisfaction is to a great extent the result of gratifying the blind cravings of the instincts, it rests with the salesman to carry on his salesmanship so as to appeal to the prospective customer through his instincts, and to offer the kinds of goods that will satisfy those instincts. That appeal must be personal. The good that certain articles have brought to others is absolutely nothing to me unless you can show that the same good will come to me. Your goods must be such as to satisfy *my* needs, and you, as salesman, must show that they will.

CHAPTER VIII

CLOSING THE SALE

The close of the sale an act of will.—The favorable decision of the customer to buy or to accept the article, the service, or the conditions offered by the salesman constitutes the close of the sale. It is an act of will of the customer, and as such is the logical ending of a conflict of ideas in which the ideas presented by the salesman win over all others that arise.

Varying strength of the will.—It has already been pointed out that every idea coming into the mind tends to express itself in some way. The mind accepts and acts upon the different ideas that enter it with different degrees of force, and the expression that tends to follow seems to be the result of some sort of overflow or explosion of the mind upon the idea. In some cases this is mild, and hard to detect, but in others it is violent and obvious.

The will, in most cases, simply directs the flow of this expression, chooses the method, or stops it entirely if some other idea of equal or greater force enters the mind.

If there were no obstructions, every idea that entered the mind would cause a decision to do something about it, and the expression would surely follow. A person with a mind working like this would wave his arms, shout, move, sing, work, laugh, and cry in full accord with every idea entering his mind and according to the feeling accompanying each. Such a person could not hide his thoughts. He

would have to tell every idea. He could not keep any thought to himself. Even to think, "I will not tell this," constitutes an obstructive thought, a second thought in the mind at the same time. The person whom we have just described does not even have this thought. The presence of conflicting thoughts stops the expression that would naturally follow from every idea.

Some decision upon every idea.—There must be some sort of decision upon every idea, even though it be only the mere accepting or rejecting of it. We must decide to do something about it. As a matter of fact, we decide not to express most of the ideas that come to us. And these negative decisions are due to the ideas or feelings that arise and obstruct or call a halt to the expression of the idea that is being considered. These obstructing ideas or feelings demand attention for themselves and inhibit, as the psychologists say, the force of the first idea.

Whatever the decision upon an idea shall be depends, then, entirely upon the result of the conflict between that idea and other obstructing ideas. In salesmanship, as well as in everything else where minds must be influenced, the main thing to be accomplished is to get the necessary idea into the mind of the customer and then reinforce it, and assist it to come to favorable decision and expression, by combating and displacing the obstructing ideas if there are any.

How people decide.—There is a great deal of difference among individuals in the way this mental conflict takes place. It may range from almost nothing to a most severe mental struggle. For convenience of study we may think of most people as of two types; namely, the impulsive and the reasonable. There are no sharp lines between these two classes. There are, of course, the extremes, but most people combine characteristics of both types, being impulsive at some times and reasonable at others. They may be

impulsive about some things and reasonable about others. Health and physical condition affect the tendency of the mind. Experience, habit, and education make an almost vital difference. It is well known that most untrained, uneducated and inexperienced people are impulsive in their decisions, while training, knowledge, and experience make for reasonableness, especially in those lines in which the training, knowledge, and experience have been gained.

The impulsive type.—The impulsive type is the kind in which every big, clear-cut idea that enters the mind is followed by immediate action. Among people with this type of mind we find the precipitate, the quick-tempered, the dare-devil, the animated, and over-enthusiastic—those who are extremely talkative, those who show their every emotion. Their minds are occupied with but one idea at a time; and because this idea does not with them naturally connect itself with many others, their minds easily tire. They are constantly seeking new subjects for thought. If this characteristic is pronounced, we call them "flighty," or "feather-brained."

Sometimes such persons draw their ideas from within, sometimes from without. If from within, we call the person "set in his way," or "strong-headed," especially if we do not see how his motive arises, or if its expressions do not fit harmoniously with what seems to us usual and best. If the ideas expressed come from without, we say that the person is "easily led," that he "floats with the current," that he "has no mind of his own." If this characteristic is strong, the person is quite likely to be led by the suggestion or by the command of others most of the time.

The reasonable type.—The reasonable type is characterized by a longer mental conflict, a calling up of as many ideas as possible, related to the one demanding a decision, and the weighing of the evidence on both

sides. Whichever side seems to be the stronger gets the decision.

There are three ways in which the mind may come to a reasonable decision. First, the division may be the result of a careful consideration of the evidence on both sides, so far as the mind has this evidence. Opposing ideas are balanced against each other and canceled wherever possible. Finally either one side or the other has the advantage in weight or importance of evidence, or perhaps all objections on the other side have been answered. Decision naturally follows, and takes the direction pointed out by the winning ideas. This is the highest type of reasoning.

In the second method of coming to a reasonable decision the mind also calls up the ideas that it has at command on both sides, but the decision is arrived at by some one idea springing into much greater prominence than the rest and crowding out all other considerations. The decision will depend upon this big idea and its feeling. In a few cases the conflict between the main idea and the obstructing considerations results in a victory for neither side. The person remains undecided. If the decision must be made, the choice usually comes by throwing the will on one side or the other with effort enough to overbalance the mind in favor of that side. This is the third method of coming to a decision.

In the case of the impulsive type, action follows from the force of a single, simple idea; whereas, with the reasonable type there is the accumulating and sifting of evidence, and the force of the original idea is either broken down or increased by the results of the comparison with the ideas accumulated.

"Suggestion" vs. "Reason Why."—The way that a salesman can influence decision depends upon the type of mind of the customer. Suggestions are the right means of get-

ting decision from the impulsive type, and "reasons why" must be given to the reasonable type of mind. Most people act upon impulse most of the time, especially when dealing with the common things and in common practice. If one should stop to deliberate upon every idea entering the mind and calling for decision, he would get nowhere. There are some people who can never make up their minds —those who must think over every little detail. One idea follows another so closely as to prevent the making of a decision calling for action. On the other hand, most people, even the ultra impulsive, have mental conflicts of considerable deliberation as well as duration at times. If a person were entirely devoid of this power of deliberation, he might rush to his destruction almost any day.

Power of suggestion.—Public speakers, debaters, and others who attempt to sway public opinion, always use suggestion as well as argument. Such expressions as "54–40 or fight," "On to Richmond," "The Union forever," "Down with the tyrant," "Long live the king," "Hang the traitor," and many others have helped make history because of their power of suggestion.

Modern advertisers are fully aware of this characteristic method of getting many persons to decide. In every magazine one sees illustrations filled with the suggestion of "saving labor," "saving money," "giving satisfaction," or "furnishing enjoyment," if you will only buy the thing advertised. In the advertising of a recent number of a business magazine, there occurred among others, the following expressions:

The Prudential has the strength of Gibraltar.

Esterbrook Steel Pens. Easiest writing—Longest wearing.

An adding machine for your personal use—$10.

Which? $6,000 for your head or $600 for your body? Be a banker.

Stop forgetting.
Study law at home.
A 7% investment.
Take a trip to foreign America.
Your sales increased.

In no case were the expressions followed by reasons or explanations. The aim of each was merely to suggest certain things to the readers' minds, which the advertiser hoped would lead the readers to buy or at least to sit down and answer the advertisement.

Suggestion depends for its power upon the fact that it sets the mind going along a certain line of thought *without any opposing ideas*. Where reasons are given, a different sort of a condition is presumed, for reasons constitute part of an argument; an argument is the weighing of one side against another, a consideration of the points both for and against a proposition. There is no such mental conflict following a suggestion. The mind unconsciously and simply takes the direction that is offered to it, and follows it until some break or interruption comes. The expression, "The Prudential has the strength of Gibraltar," is an effective suggestion with many people. The desirable thing about insurance is that it shall be certain, and this means that the company must be sound. "The Rock of Gibraltar" is an expression that suggests to all people eternal strength and changelessness. There is a feeling of security about its lastingness. This feeling is borrowed by the Prudential Company when they suggest the association of their corporation with this ancient rock.

There would be no suggestion from this expression for those who know nothing about Gibraltar or its place in the history of the world. The expression is usually accompanied by a picture of the rock. This helps to a certain extent to give the right impression to those who know nothing of Gibraltar, but this illustration must be doubly

powerful with those who know of Gibraltar by past reading or observation.

The same suggestion will not work with all people. To be effective, the expression that contains the suggestion must connect itself with some habitual line of thought in the mind of the hearer or reader, with some common means of giving pleasure or satisfaction, with some strong sentiment, some ambition, or some fear. Thus suggestion is most powerful when it works on thoughts that are grounded on instincts. "Get-rich-quick" schemes prosper because of their power of suggesting the thoughts based upon the instinct of acquisition or possession. If a person would stop to reason about a "get-rich-quick" proposition, he would see in most cases that the rosy prospects offered were the creations of his own mind. What the mind of a person would naturally or instinctively like can easily be brought to the attention by suggestion. Patent medicine advertisements and quack doctors suggest that people are ill and in need of medicine, by giving long lists of symptoms, some of which any person is likely to have or to imagine that he has. At the suggestion of the advertising the mind begins to discover symptoms of sickness in its owner's body, and then plunges into a line of thought that pictures how dangerously ill he is, how necessary it is that he should do something to cure the ailment, and how sensible it would be to take the cure suggested by the quack.

Suggestion loses its effectiveness as soon as the searchlight of reason is thrown upon it. What is suggested may be either good or bad, but when the mind stops and thinks over both sides of the question, the power of the idea suggested is partly destroyed—that is, it is counterbalanced by other ideas. Hence, the purpose in using suggestion is to prevent the mind from thinking objections, and this can be accomplished only by direct appeals to strong habits and dominant instincts. Since these differ in individuals,

one idea will not have equal suggestive value for all people.

No one likes to believe that he is subject to suggestion. All would like to be and appear to be reasonable. Hence, suggestion in the hands of clever advertisers and others who seek to influence the public will frequently show the outward form of reasoning; the suggestion is frequently clothed in pseudo or imperfect logic to show why the person addressed should take the course of action suggested. The quoting of certain statistics without quoting equally reliable figures on the other side of an argument, the giving of testimonials from people who may themselves have acted under suggestion, the use of such expressions as "This is what they are all wearing now," and "Everybody likes Wiggle's chewing gum," the proving of excellence by stating that an article is "Made in Germany," are all illustrations of this sort of false reasoning. As a matter of fact we are all subject to some suggestions, and a great many of our daily actions are responses to suggestions and not to reasons.

Suggestion is reason shortened. Suggestion is the mental action and immediate decision following from a single idea; while reason brings in a full comparison of all favorable ideas with all opposing ideas before the decision is made.

All that is necessary to make sales in some lines and with some people is a suggestion. All of the steps of a sale in such a case are compressed into one. Show an inveterate smoker his favorite cigar, and the suggestion to buy comes to him at once, if he is not already supplied. His attention, interest, and desire simply focus into *decision to buy*. The same is true of the newspaper reader when approached by the newsboy. The latter hardly ever uses argument. His advertising consists of suggestions. "Morning paper, sir?" "*Herald* or *Sun?*" "All about the wreck," "Extra Sporting Editions," etc.

Practical use of suggestion.—Suggestion may be used in a sales argument whenever the time permitted the salesman is short, or whenever the full analysis of the article would prove tiresome to the listener. The special use of suggestion comes at the close of the demonstration, when the salesman feels reasonably certain that the customer is favorably inclined toward the article, and needs only to take the deciding step. In advertisements, one may note frequently at the close such expressions as the following:

Don't wait. Write now.
Mail coupon to-day.
Get this catalog.
Ask your banker.
Order a sample.
Send in your order this morning.

The purpose of these commands is to help the reader to make up his mind—to suggest so strongly the idea of favorable action that no opposing idea will find a place in the reader's mind.

The purpose of decision.—The essential thing about decision, whether it comes as the result of a suggestion or of a long deliberation, is that it is an act of the mind seeking satisfaction. Suggestion is successful in getting decision because it calls up ideas that are pleasant and satisfactory, or the means of getting pleasure or satisfaction.

Decision that comes after deliberation is the result of the mind's selecting from a variety of related ideas those that promise pleasure or satisfaction. The mind always seeks to be satisfied. Only that which satisfies or promises satisfaction interests us.

Ideas appealing to instincts are strongest.—What sort of ideas will satisfy and interest the mind? None are so certain with most people as those that are based directly upon, or derived from, the instincts. Show by a sugges-

tion that an instinctive craving will be satisfied, and you will get interest. Or, if the suggestion does not call up sufficient force in the customer's mind, add description and argument and further suggestion. If the chord of deep interest is struck, decision in favor of the goods is close at hand.

After the demonstration.—When a salesman has described his goods to the customer, suggested their uses, and made his proposal clear, the customer will be in one of three states of mind. He may not be interested at all. This state of affairs will arise frequently in most salesmen's experiences. The goods may not be suitable for the customer's use; he may not be in a position to use them at all; he may have something better for his use; or there may be other good reasons for lack of interest. A salesman should expect to sell only to those who can be shown that to purchase will be an advantage.

Treatment of indecision.—The usual mental state of the buyer, after the demonstration, is quite frequently that of indecision—of deliberation. This condition calls for the statement of more new facts. The salesman needs, perhaps, to restate some of the facts already given, in a slightly different way so as to make sure that they are properly understood. He may relate what success other buyers are having with the same thing, or he may bring in testimonials. If the customer's indecision proves hard to break down, the salesman may introduce special arguments usually reserved for such occasions, as for example, special prices, favorable terms, special service, premiums, and so on. He may force a decision by turning away and by getting ready to leave or by some other definite action calculated to cut off all further deliberation.

Meeting objections.—It is at this stage of the sale that the customer's objections are most likely to arise, and for these the salesman must be ready with full and correct

answers that will completely displace the negative power of the objections in the customer's mind. Some of the most common objections met in ordinary business are given here merely as a suggestion of the lines along which the salesman must study.

1. "I don't want it." A customer does not want a thing when he feels no need for it. The answer to the objection is to point out *how he needs it.*

2. "I don't need it." The demonstration and description of the goods should aim definitely and clearly at showing the customer his need for the article. If that need cannot be shown, the sale deserves to be lost. If a man feels no need for an article, it can have no value for him.

3. "Price too high." In answer to this objection the salesman may make comparisons with other goods, or he may point out what the returns will be from the investment. It is not what one pays, but what one gets for what he pays, that counts.

4. "Can't afford it." The salesman must prove definitely that the customer can afford it. He may show that the customer cannot afford to get along without it.

5. "I will wait a while." The salesman must show that the delay will mean a loss, that to put off buying can bring no good. If the article is worth having later, it is worth having now.

6. "I am satisfied with what I have now." The salesman may raise the question if the customer would still be satisfied with the older article if he owned a new one that would serve him much better. He might suggest the favorable effect of the new article upon other people who will see the change. One is satisfied with a thing only when he does not have something better to take its place. Consider how successful men have kept their minds open to new ideas and improvements. Progress is the result of this open-mindedness.

There is only one logical way to meet a customer's objection, and that is to analyze it fully—by anticipating it, if possible—and then to meet it fairly and squarely with facts. But most salesmen fail to meet objections in such a manner because they have not the facts; they do not know fully what the facts are, or they do not know how to state them.

The psychological moment for the close.—When a customer's mind has fully grasped the salesman's offer, when the negative ideas, the obstructing objections, have all been dispelled, and when his mind is occupied with the good points of the article, then is the time to think of effecting the close. That is the psychological moment of the sale. There is no place for hesitation on the part of the salesman at this point. He must proceed boldly. Nor is there any reason for hesitation. It may be safely assumed that, if the customer fully understands the goods and has no unanswerable objections to them, he will buy if asked to do so. When this time has been reached, the customer's mind is ready for action. To talk more, or to add further arguments would be both useless and dangerous, for, if the mind does not get a chance to act when ready to do so, it grows tired of the subject at once and feels a disgust for it. Many a sale has been lost because the salesman kept on talking after the customer had made up his mind.

Managing the close of the sale.—With some persons it may be very difficult to determine just when this psychological moment has been reached. The salesman wants to avoid the appearance of pressing the sale, but he needs also to be ready to grasp the opportunity to sell as soon as it comes. Therefore, tactful questions aimed at testing the feeling of the customer and avoiding any open break or objection should be raised from time to time to see which way the customer inclines. The final appeal is nearly al-

ways in the form of a suggestion, and it is best when it can not be misinterpreted, or when it can start the mind only along the positive direction that leads to the purchase. Note the difference in the following suggestions:

"You don't want to buy a new coat, do you?" (Negative.)
"A new coat for you in time for Easter." (Positive.)

The first suggests the immediate answer, "No, I don't." The second causes one to pause, and think "A new coat for Easter would be a fine thing."

A good drygoods salesman does not say, "Do you want to buy some of this cloth?" That might suggest, "No," to the customer. The salesman says, "How many yards will you need?" The salesman will not say, "Do you want this?" or "You had better take this"; he will assume that the customer wants it, and he will say, "Do you wish to take this with you?" "What is your address, please?" "When would you want this?" "Would you like this shipped by freight or by express?" "There are three styles; which do you prefer?"

After the customer has given his consent to the purchase, the salesman should seek to make the necessary closing arrangements, such as filling the order, making out the sales slip, or whatever else may be required, as soon as possible. No good ever comes from adding more selling talk when a sale is made. In fact, many sales have been lost because the salesman did not know when to stop talking. If the demonstration of the goods has been complete, no further explanation is needed. When the customer buys, it is safe to assume that he is satisfied. Any further talk by the salesman should be in the nature of instruction on how to use the goods. When the customer takes the

goods, she does so because she believes that they will suit her. The goods and the salesman must from henceforth "make good" by act instead of by words.

Every customer should be thanked for her purchase. "Thank you, sir," or "Thank you, madam," should be said clearly and distinctly and in tones that will show that the salesman means it. If the salesman cannot make the sale, he should thank the customer for her time, and express regret that he cannot be of service to her. The spirit of the close, whether a sale is made or not, should be such that the customer will want to come again. Make her glad that she came.

CHAPTER IX

SPECIAL PROBLEMS IN RETAIL SALESMANSHIP

Differences in selling ability.—One of the noteworthy things about actual salesmanship is the difficulty of analyzing and pointing out the exact causes of success or failure in many attempted sales. Sometimes an individual may give ever so good a demonstration, make the uses of his article ever so clear, and the means of obtaining it surprisingly easy; the prospective customer may be one who might be greatly helped by owning the article; but still the sale fails. Another salesman may happen along and give a less logical demonstration; he may have a poorer article; and yet make the sale. Why this difference in results?

Personality of the salesman.—There are many possible reasons for such occurrences. Perhaps the most important factor in bringing such things about, however, is the personality of the salesman. People are not cold-blooded, logical machines. Facts and reasons are not everything with anybody. The subtle influence of the man behind the goods helps make or spoil many a sale.

What is personality.—It is hard to define personality. It is hard to tell what its causes are. There seem to be some qualities in every person that attract and others that repel, entirely aside from any ideas that may be expressed by him. These positive and negative forces in a person assist or detract from his power to influence his fellows. There are some who are declared to be natural born lead-

ers. People seem to expect to follow them, and to do as they direct. We say they have strong personalities. Many of their qualities are such that they can be analyzed and pointed out; among the most common of these are honesty, loyalty, self-confidence, persistence, initiative, and resourcefulness. A person of vigorous health—who is full of energy, and who looks it—always commands more attention, other things being equal, than the weak, sick, or lazy type. A person who knows his business and has a reputation for knowing it has at least one of the elements in a strong personality.

Personality in selling.—After physical health, appearance, courtesy, and knowledge of goods, strong personality in selling is more than anything else a combination of two things—tact and enthusiasm.

Tact.—Tact is the ability to get along with people, to lead them, to influence them, to tell them the truth without giving offence. Tact is the result of a keen sense of other peoples' feelings and a knowledge of what they like and dislike—of what pleases them and what hurts them. A tactful person is one who can see clearly the other fellow's point of view. Those who are tactless are usually self-centered, with their thoughts solely upon themselves. Knowledge of the problems of other people, together with a sufficient experience in these problems to know how other people feel is the surest way of acquiring tact. The tactless person explains how he hurt someone's feelings, by saying: "I didn't think." That is just it. He did not think of the effect of what he said or did before the act. A little more attention to the points of view of others would lessen the number of such mistakes.

Enthusiasm.—Enthusiasm is the keynote of success in salesmanship. As a great salesman has said, "Enthusiasm is the white heat that fuses all other good qualities into one effective mass. A little illustration: take a piece of

blue glass and a sapphire. You can polish that glass until it has a surface as smooth and hard as the sapphire's. But when you look down into them you see thousands of little lights shining up at you out of the sapphire that you cannot see in the blue glass—and you never can get out of the blue glass those little tongues of flame which just seem to leap out as you look at the sapphire. What these little lights are in a sapphire, enthusiasm is in the man. Some men are almost irresistible; it is because enthusiasm radiates from their features, beams from their eyes, and is present in their actions. A man lacking enthusiasm is only a statue."

Sane enthusiasm.—If a man is enthusiastic, that fact proves his interest in his goods; and his interest will attract others' interest. Enthusiasm in selling is expressed by the bright eye, the clear-cut, straight-forward, sympathetic expression, dignity without frigidity, optimism without bragging or bravado, naturalness and not affectation in manner, and readiness to do the next thing, whatever it may be. The salesman's language should consist of direct, concise ideas and not of hollow words and phrases. All of these things, and more, too, have a part in creating the desirable impression of enthusiasm.

Faith.—Personality is improved by one's attitude toward the goods he has to sell. One cannot hope to exert positive influences unless he has the utmost faith in his goods, in his house, and in its way of doing business. The "knocker" may have reason for his fault finding, but his selling ability is lowered by his mental attitude.

Bluffing.—The "bluffer" is weak in personality. He may succeed in "putting up a front" a few times, but it is contrary to nature for him to succeed always. He does not know what he is talking about, and he knows that he does not know. This fact will be sufficient to undo him. Someone will soon see through him.

Manner of speaking.—Manner of speaking is important as a part of the personality. What a salesman says should be clear—so simple that there can be no misunderstanding. He should never seem to be at a loss for something to say, and yet what he says should express definite ideas. Repeating from memory always gives a bad impression, as does a cut-and-dried style of description. The salesman needs to cultivate new ways of expressing his ideas, suited to the changing needs of his customers.

Know customers' names.—Know people by name. It is surprising how pleasing it is to most people to have others know them and call them by name. The speaking of the name secures an extra hold on the attention of the customer. As a matter of habit we all give our full attention to the man who calls us by name. The salesman places himself in a position of power right at the outset by this means. The customer likes it, and naturally returns again to the one who knows him personally. It will pay any salesman in any city, large or small, to learn the names of as many customers as possible. Many successful business men made it a part of their early training to speak to all of their customers and to call them all by name. This is a detail that is worth cultivating.

Sell the most profitable goods.—Where no particular choice among several articles is manifested by the customer, and where there is a difference in the amount of profit to be yielded to the store by the articles under consideration, a salesman can and should add to the resources of his institution by selling to the customer that which yields the store the largest profit. This is entirely legitimate when the customer will be equally well served and as well satisfied by the article selected by the salesman as he would be if it were selected solely by himself. Every store and its salesmen must push and suggest its most profitable lines.

Do not show what will not fit.—When a salesman is selling a line in which there are sizes and in which he cannot supply any size in all patterns, colors, or designs on hand, he will do well to avoid showing any pattern, color, or design in which he does not have the size that will fit the customer. To show a color that may prove attractive to a customer and then have to tell her that the store cannot supply the right size will likely cause the customer to go elsewhere in search of the same color. The salesman should know his stock so well that such mistakes could not occur.

Handle goods appreciatively.—The salesman should handle his goods as if he valued them highly. To throw things about roughly, to handle them in a rough manner or with soiled hands, gives a bad impression to many people. The best salespeople in the world are those who handle their goods as if they loved them, with caresses and great care, as if the goods were alive and had feeling. This is a principle of wide application; many otherwise good salesmen would do well to study it and apply it.

Customers first.—The prospective customer should have the first consideration in a store. Everything else should come second. If the salesman is talking to some one who is not a customer when a customer enters the store, let him stop his sentence in the middle and go to the customer—let the subject rest until the customer's wants have been attended to fully.

Meet the customer promptly.—The salesman should not wait for the customer to come to him; he should go to meet the customer promptly and respectfully. This helps to get favorable attention from most customers; it makes a good impression, and therefore pays.

No favoritism.—There should be no favoritism towards customers. Each should be waited upon in his turn unless full permission has been granted by those preceding for the salesman to give his attention to the later comer. Fair

play appeals to all, even those who are anxious to be waited upon before their neighbors who arrived sooner. The salesman should nod recognition in a kindly way, or explain pleasantly that he will be glad to serve the latest comer as soon as the others are waited on. This is necessary, for it helps to hold the probable customer until there is time to attend to her wants. Otherwise she might resent the lack of attention and turn around and go out. Another plan is to try to get the customer busy at something or other. If it is a warm day, ask her to be seated and hand her a fan; this will result in good will and patience in many cases. If the goods in which she shows interest are displayed on the counters, she might be encouraged to look them over herself. A number of other ways will suggest themselves to wide-awake salesmen to hold customers in a rush. The important point is to hold as many as possible, and still give to everyone a "square deal" in the way of personal service and attention.

Answer questions frankly.—All questions asked of salesmen should be answered frankly and promptly, if they are at all proper. When a customer asks a question about the goods, a frank, truthful answer should be given, and it should be given at once. Hesitation is often a sign either of ignorance or of the taking of time to think up some deception. Good salesmen cannot afford to put such impressions into any customer's mind. The truth must be told; but there are some ways of telling the truth that are more tactful than others, as has already been pointed out. Tact must be used in phrasing the truth. There is a story about a shoe salesman who was asked by a lady whom he was fitting if one of her feet were not larger than the other. He replied quickly, "One foot *is a little smaller* than the other." The ability to combine truth and tact in this way is the kind of ability that brings success in selling.

Contrary customers.—There are some customers who are

hard to lead in the matter of selection. They resent any direction, other than through suggestion, unless the help of the salesman is definitely asked. In fact, to make a sale to some people, it is necessary to do as the Irishman did who drove his pig to Dublin by making the pig think that he wanted it to go the other way.

Be obliging.—Salespeople should answer questions willingly, if they can answer them at all. People often drop into stores to inquire directions. Some salesmen look upon such inquirers as intruders. This is wrong. The salesman can well afford to give directions or answers with courtesy. In some cities, people frequently drop into a store to have a bill changed or to ask some similar favor. Salesmen and storekeepers should willingly and gladly grant these favors if they know that there is no dishonesty intended by the visitors. A man once moved from one town to another, and on the day that he arrived in his new home, he had occasion to get change for a ten dollar bill. He walked into a grocery store, presented the bill, and the change was refused without any explanation. He then offered to buy a five cent article that lay in front of him, but the storekeeper refused to sell, saying, "You just want to buy that so you can get the change from me." Do you think this man opened an account at this store when he began buying the next day? He did not. He never traded at that store. A few years ago the store was closed, and there were no friends to mourn the fact. A short-sighted service policy never brings success.

Attend closely to customer.—When waiting on the customer the salesman should give the customer his entire attention. Salesmen should not speak to one another in the presence of customers except in the necessary service of a customer. The salesman should be an interested listener to what the customer has to say, and her point of view should be thoroughly respected. The store is for the

customer, and not the customer for the store. If there were no customers, there could be no stores, but there could be people without stores—especially could they get along without the stores that do not adequately serve them.

Customers' complaints.—Listen to the customers' complaints. Find out what they are in a respectful way. Do not get angry or feel insulted. Find out what the reasons for the complaints are and profit by them. The successful salesman is the one who can suit all kinds of people. There are some good-natured people that anybody can sell to and satisfy. A noted advertising man for a large department store kept in his office above his desk a picture of a cross, tired-looking woman—the kind that is hardest to suit. When asked why that picture was there, he replied, "I write all my advertising with that woman in mind. If I can suit her, there will be no question about suiting the rest of the people."

Profit by complaints.—Oftentimes there is reason for the complaints that are made. A store should be glad to have them come. The dangerous kind of complaints are those which do not come in until they have traveled from person to person for weeks. No store is perfect. No salesman is perfect. Open-mindedness is shown by the desire to learn weak points and to have them corrected. Our critics are unwittingly our best friends, for they make us improve.

Should a retail clerk try to sell anything?—Should a retail salesman attempt to sell things, other than those which the customer comes in to buy? Recently a young salesman said, "Why, I wouldn't do that. The customer knows what she wants. To try to force anything else, or more than she wants, on her would be a kind of hold-up." This salesman thought his entire duty had been performed when he had given courteous attention to the customer's demands. But he was not a *salesman.* He was merely an *order-taker.*

though in this case a fairly good one, because he was good mannered and active.

Service to customers.—After what has already been said, it is hardly necessary to show in detail why a salesman should attempt to sell more goods than those the customer comes in to order. There are two reasons why the salesman should do more than merely wait on his customers. The first is that this service is due to the customer. To sell a customer what she does not want is absolutely wrong, and the business that attempts to do this cannot stay long in existence, and does not deserve to do so. But to tell a customer of new things, new uses, and new qualities, to advertise the fact that you have the goods that she may think can only be obtained elsewhere, is a matter of education for the customer, for which most people are really thankful if the service has been rendered in a tactful way.

Progress in standard of living due to salesmen.—The material comforts of our life—the apparatus, furnishings, and articles of home use—have increased greatly within the past few years. The modern home compared with the home of a hundred years ago is a marvel. But practically everything that has been added to make the home what it is has been introduced to the home-makers by *salesmen* or by salesmanship in print in the form of advertising. In the progress of increasing comfort in living that nearly all people are sharing in these days, the greatest credit belongs to retail salesmen—those who are really salesmen, that is, educators of the public.

A community stands still that is served by order-takers. The backwardness of many small communities is due solely to the fact that they have not live, progressive, aggressive dealers who seek to educate their customers.

Service to employer.—The second reason why retail salesmen should try to sell other goods besides those the customer comes in to buy is that it takes sales to make

profits, and it takes profits to continue the growth of a business. No sales mean no profit. One article sold means one profit; two articles sold mean more profit. A good salesman not only serves his customers by satisfying them, but he also serves his employer. It is his business to make sales.

So the retail salesman should go after business, but of course he should use tact and knowledge of his business in making his attempts to sell. The greatest danger, however, is not that mistakes will be made in pushing the business, but rather that the business will not be pushed enough. Better err on the side of being a hustler than on the side of being over-cautious. Work along all legitimate lines in increasing the prestige of your business. A successful business reflects full credit on the successful salesman in that business.

Find out cause of failures.—If, as often happens, the sale cannot be closed favorably the salesman should attempt to learn why he failed. Let him analyze his goods and see why the customer did not buy them, and let him frankly analyze himself and face the reasons why he could not make the sale. The salesman should never lose his temper. Even when treated shabbily, he should remember that he is a gentleman and that he represents a respectable house that wants him to be a gentleman. Let the customer see that the salesman cannot be aggravated or irritated, and in most cases his appreciation of the salesman will rise.

Leave customers with friendly feeling.—When leaving a customer, whether she has purchased or not, make sure that the spirit of the occasion is not such that she will not want to see you again. Business is impersonal, but business relations are extremely personal. The most successful salesmen are those who draw the good will not only of their customers, but also of those who do not buy. Sometime or other the latter may buy.

The store is not a loitering place.—The store is not a

loitering place for people who have nothing to do. The trade of many stores is ruined because these places become loafing places for idlers whose greatest delight is to chew or smoke tobacco, tell stories, and spread gossip. Ladies do not like to go to such places, nor do self-respecting men. This is so well recognized that even some cigar stores, where one would suppose that the proprietor would be glad to have men come in to sit down and smoke, do not have a single chair in the place, and no room for loungers. The store is a *business* place, and it does best when it lives up to this ideal. Rest rooms are provided in some large stores for customers, and this is good policy, but these rooms are separated definitely from the rest of the establishment. One does not have to go to the rest room unless he wants to.

All loitering and pure visiting in the ordinary retail store should be discouraged. Retail salesmen should explain this to their friends so that it may be definitely known that the store is the place where the *customer* comes first always.

Visiting among salespeople is also bad if there are customers in the store. It may seem unnecessarily hard that two salesmen should not converse in the store when not waiting on customers, simply because some customers may be trading within sight or hearing distance. But there are some customers who are so sensitive that visiting among the salesmen, even if at some distance, is annoying. Many customers are very self-conscious when they buy, and any remark in the vicinity, any laughing, or even a smile may be interpreted as aimed at them. This happens ever so much more frequently than most salespeople think. *It pays to take no chances.* Visiting among salesmen also gives to customers the impression of idleness. Idleness means no business. No business means something wrong. The customer's suspicion about goods and service arises. Once more, it pays to take no chances.

CHAPTER X

LEAKS AND LOSSES IN RETAIL STORES

Retail store leaks.—Efficiency in business means, for one thing, the prevention of leaks and wastes. This is an exceedingly important topic in the study of a retail business, for no matter how excellent the buying, how scientific the advertising, or how skillful the selling, if leaks and wastes are not watched closely, the store is likely to run behind.

Gross profit is the difference between what a merchant pays for his goods and what he sells them for. But out of this gross profit he must pay all the expenses of the business, the salaries of the salesmen and all other employes, advertising, rent, taxes, insurance, light, heat, telephone, delivery, wrapping materials, breakage and spoilage, repairs, alterations, depreciation of merchandise, depreciation of buildings and equipment, bad debts, stolen goods, and so on. Investigations and careful accounting methods show that the net profit on most goods is very small after all of these expenses are paid. But these expenses must be paid before there can be any profit. Now, it is easy to see that any unusual loss or leak would wipe out this narrow margin of net profit and possibly a part of the merchant's capital. Success in store management in some places depends entirely upon skill in avoiding these leaks or losses, and in this the salesmen is the chief factor. By his methods of doing business, the business rises or falls.

There are in the main two general classes of retail losses;

namely, those due to external causes, and those due to inefficient store management. But good management can avoid losses from several of the external causes.

Fire.—One of the greatest causes of loss in this country is fire. Though a discussion of this as a first cause of loss in a textbook on salesmanship may seem a little out of place, yet salesmen as well as all other classes of citizens should be interested in wiping out this enormous yearly loss. Examples of carefulness in this regard should come from good business houses first of all. For the year 1911 the fire loss amounted to over $225,000,000 or about $2.50 for every man, woman, and child in the United States. This rate is many times higher than in any other civilized country. In France the annual loss is about thirty-three cents per capita, while in all of the other advanced countries it is less than sixty cents per year.

Our big fire loss shows several things: first, that we do not know how to build our property so as to avoid fires; secondly, that we do not appreciate the value of our property as we should, or we would take steps to put a stop to this loss; and, thirdly, that our education upon the subjects of saving, conservation, and economical living is inadequate. When one considers how American people permit fires to destroy their property—a single item among our many wastes—one does not wonder that the cost of living is a live question. The total loss by fire in this country during the last thirty-three years amounts to $5,147,253,724. This is nearly as much as has been expended for all kinds of schools and education in the country during the same period. If this amount of money could have been saved and placed at six per cent. interest, the income would pay the salary of every teacher in every school in the United States and still leave a few millions to spare every year.

Yet this great amount of wealth was largely thrown away by carelessness. It is well agreed that if people would only

stop doing senseless things and would practice what seems to be ordinary common sense, at least fifty per cent. of the fire loss could be avoided. It rests with the business man and the schools to begin at once a program of education that will check this waste. Such education will consist of an analysis of the causes of fires and a study of the methods of avoiding them.

There follows a table of the principal causes of fire—a list that should be studied with great care. To be forewarned is to be forearmed. Fire prevention is a part of every citizen's duty.

Causes of fires:

1. Matches
   carelessly thrown away while lighted.
   used by children.
   gnawed by rats or mice.
   exploded by weights falling upon them.
   ignited by friction in pocket.
   "When you strike a match you start a fire; see that you put it out." (Slogan of Portland, Ore., Business Men's Association.)
2. Chimneys and flues
   becoming defective by cracking.
   with accumulations of soot.
3. Stoves and stovepipes
   over-heating.
   "burned out."
   improperly protected from floors, walls, and ceilings
4. Kerosene lamps
   turned down low.
   filled while lighted.
   filled with other lights too near.
   extinguished by blowing down the chimney.
   rendered defective by accumulations of sediment.

5. Starting fires with kerosene or gasoline.
6. Keeping gasoline indoors and
   filling gasoline stoves while lighted.
   mistaking gasoline for kerosene.
   using it carelessly in cleaning clothing.
7. Rubbish and sweepings.
8. Oily and other waste material.
9. Smoking.
10. Sparks from locomotives and other engines.
11. Spontaneous combustion.
12. Lighting.
13. Defective boilers and fireplaces.
14. Defective electric wiring.
15. Inflammable material coming into contact with gas jets.
16. Gas explosions.
17. Celebrating Fourth of July with explosives.
18. Christmas trees trimmed with candles and inflammable materials.
19. Ashes in or near wooden or other inflammable material.
20. Bonfires.

Fully fifty per cent. of all fires are preventable, and twenty per cent. may be traced to careless housekeeping.

From the standpoint of the retail business the first essential precaution is sufficient insurance. This sounds commonplace, but experience with fire losses shows that dealers do not insure their stocks adequately. This point is so important that wholesale credit men almost invariably make inquiry concerning the insurance carried by a store applying for credit. Too low insurance is often a contributing, if not a determining, factor in the refusal of credit. As precautions against fire loss, the heating and lighting apparatus should be well guarded. Inflammable goods and substances should be stored in places absolutely secure from fire. Hot air pipes, though hardly ever the source of a fire

unless a flame gets into them, should be protected. In stores that have hot air heating systems with floor registers, paper or refuse is frequently dropped down the registers into the pipes and thence to the top of the furnace. Some day when the furnace becomes heated red-hot, this refuse is set afire, and the smoke and flames shoot up through the ventilation system. Gas and electric light pendants should be kept free from hangings, and no goods should be stored within three feet of a gas flame. Every night before closing, it should be the duty of some responsible person to look through the entire store to see that everything is safe. Many a fire has been caused by smouldering cigar stumps, burning lamps, etc. The rules of insurance underwriters' associations regarding wiring and heating are the best for the merchant in the long run. Though the insurance inspector and his orders are not always heartily welcomed by the merchants, his rules are based on experience; hence they are the best to follow.

Stealing.—Stealing is a difficult problem in any store. There are three classes of thieves. First, there is the burglar or house-breaker, against whom the store must provide watchmen, bolts and locks, iron shutters, and burning lights that make the interior visible from the street. Secondly, there is the shoplifter, the false, aimless shopper who is not anxious to have a clerk wait on her or him, but who has deep capacious pockets, is often assisted by accomplices, and who uses ingenious methods to get away with the store's goods. Against these the watchfulness of the store's entire force, including, in larger places, store detectives, must be utilized in such a manner as to catch the culprit, and also to keep any feeling of restraint or suspicion from entering the honest store visitor's mind. Thirdly, there is the pilfering of dishonest clerks. With modern systems of checking and accounting in a store, dishonest employes are usually found out, sooner or later, and where direct evidence cannot be

produced against them, they are simply dismissed without explanations. We have already dealt with this subject under the heading "Honesty," from the standpoint of the employe. The employer has responsibility in the matter also. As far as possible he should protect young employes from temptation. He needs to watch his employes to guide them rightly. He owes it to himself, to his business, and to his employes to know how the latter live, how they spend their leisure, and how they spend their money, especially if it goes into any form other than necessities or investments. The time is past when any business employe can say that "it is no one's business how I spend my leisure time." Such an attitude will often put a man out of a job, and, as standards climb, this will be even more true in the future.

Over-measurement.—Among the losses due to inefficiency, or causes over which salespeople have control, are over-measurements or over-weights. City dealers of weights and measures often find scales and measures that give too much, as well as those, which have been so widely advertised in newspapers and magazines, that give too little. Carelessness in measuring is a source of great loss. Consider that in the sale of a yard of cloth at a dollar there is a net profit after all expenses have been paid of about three cents. This is not an unusual case. Now, suppose that in selling a yard the salesman gives one inch of over-measure —a little more than the width of the thumb. What is the result? One inch is one thirty-sixth of a yard, and one thirty-sixth of a dollar amounts to nearly three cents. Where has the net profit gone to? The sale might as well not have been made. When customers buy, they are entitled to exactly full measure—no more, no less. Efficient sales service gives just this. To give more is graft for the customer and loss to the store. To give less is graft for the store and loss to the customer. Both are double wrongs.

Poor care of merchandise.—Lack of care of merchandise, and the permitting of goods to rust, to become dirty, wrinkled, and out of shape are sources of loss that can easily wipe out the profit. Efficient salespeople will handle the goods so as to prevent such losses. An inefficient window-trimmer, for example, can ruin a great amount of goods by misusing the goods in the windows, wrinkling them, filling them full of pin holes, leaving delicate goods in the light too long, handling delicate fabrics with soiled hands, etc.

Poor packing.—Poor packing, the kind that comes untied or allows breakage or other losses is another leak that stores must stop. Proper packing involves the right kind of paper, twine, boxes, and other material. Time may be saved by having all of these things placed in orderly arrangement close to where they are to be used so as to prevent waste of time in hunting for them.

Waste of supplies.—Improvident use of supplies, such as wrapping paper, twine, boxes, bags, etc., is another source of loss. For example:

1. The use of large sheets of wrapping paper, when smaller sheets would prove ample.
2. The careless dropping of fresh wrapping paper to the floor to be trampled on.
3. The winding of numerous strands of cord around a package, when a less number would protect the bundle.
4. The throwing away of useful lengths of cord or rope.
5. The habit of picking up a letter-head or other expensive piece of paper to figure on when a small pad or bit of discarded paper would answer all requirements.
6. The throwing into the wastebin of slightly soiled cartons that could be used to replace others that are shop-worn or to pack merchandise for delivery, for which boxes are not specially made but must be provided.

7. The loss entailed by being careless of dust rags, brooms, and brushes.

8. The throwing away of pins that could very conveniently be placed on a cushion.

9. The dropping of rubber bands, pin tickets, tags, etc., the picking up of which, to many, is Oh! so much trouble.

Unsalable stock.—Shopworn goods and accumulations of remnants and of dead stock are other sources of bad losses. Careful salesmanship will prevent all three. Remnants can be avoided to a certain extent by keeping track of the goods on hand, and by selling only in wholes the pieces that are close to the remnant stage. Dead stock is prevented by pushing the "stickers" forward and marking them down to a price that will move them. Mark-downs may not even be necessary if the poor moving stock is simply given advantageous locations and some attention by the salesmen.

Waste of light.—There is danger of wastes in light, especially where it is turned on in out-of-the-way places, down in the basement, in the stock room or elsewhere, and then forgotten. Each salesman should establish the habit of eliminating all such useless leaks. Where artificial light is used, it costs something for every moment that it burns. There should be no economizing where light is needed, but where it is not needed, it is waste to use it.

Leaky packages.—Merchants are usually careful about their use of leaky barrels and cracked boxes—packages that permit losses to occur in one form or another. Yet this is a source of loss in nearly every store to a certain extent.

Vermin.—Rats, mice, and other vermin destroy great values of goods every year all over the country. A modern store will plan to keep out such vermin or at least to destroy them as soon as they enter. This is a small detail that means a great deal in the long run.

Losses due to delivery department.—The delivery department is responsible for a number of losses to the store, due to the following:

1. Goods lost in transit.
2. Goods damaged in the wagons.
3. Damage to the wagons or other parts of the delivery equipment caused by careless driving.
4. Poor care of the equipment and consequent rapid deterioration.
5. Carelessness in routing and consequent loss of time in making the deliveries.
6. Wrong deliveries due to wrong addresses or to the misreading of addresses.
7. Improper use of time.
8. Lost containers' baskets, crates, boxes, jugs, rug poles, etc.

These losses are only the common ones. To know what they are is to know what to do about them. Delivery expense for general merchandise storage averages in cost to the store from two cents up to nearly twenty-five cents per delivery. This difference in extremes is due largely to differences in efficiency in the delivery departments.

Care of delivery equipment.—Recently the Standard Oil Company established a measure of the efficiency of its teamsters throughout the entire country by requiring weekly reports showing the weight of the horses. The purpose of the company was to check carelessness on the part of the teamsters in their care of the horses. It was thought that this would have a two-fold result. In the first place, the horses would be kept in better condition; they would be able to do more work, and there would be less sickness among them. Loss of weight is an excellent premonitory symptom of loss of good health. In the second place, the result would no doubt be better looking horses. Well-fed, sleek, lively horses, and good, well-painted, well-kept wag-

ons have much advertising value that a retail store as well as the Standard Oil Company cannot afford to lose.

Salesmen's errors.—Salesmen's errors are frequent causes of losses in retail stores. Among the common errors that are avoided by careful salesmen are the following:

1. Penmanship so poor that time is lost in reading it.
2. Writing down wrong addresses when deliveries are to be made by the store. The salesman should be very careful to get the exact address—the exact spelling of the name of the customer, the name of the street, and the exact number. There should be no guess work.
3. Making change incorrectly.
4. Failing to assemble and list all the items purchased.
5. Mistakes in addition. (Common, but easy to remedy if the salesman will take the time to learn to add.)
6. Failure to charge the sale, if made on account.
7. Mistakes in computing discounts when they are offered on sales days or at other times.

Waste of time.—Some salesmen take too much time in doing the routine work of the store. Here is a chance for studying scientifically the easiest and quickest ways of doing things. One of the first essentials is to work methodically. Find out which is the best way to clean the cases or shelves, replenish the stock, wrap a parcel, or whatever else is to be done; and then practice doing the work that way rapidly and well. There is sometimes waste of time in selling. A customer should be sold as quickly as possible, although under most circumstances, it would be wrong to hurry her. The selling should be all business from start to finish. There is another form of waste of time that needs mention, and that is the waste due to tardiness and slowness in getting at the work of the day. Time is worth money—every minute of it. Waste of time is like throwing money away.

Waste of labor.—Every salesman wastes some energy. Some waste most of their energy in doing things in the wrong way, the long way, or the hard way. As in the case of saving time, the salesman should plan his work, think while doing it, and figure on the best ways of doing it. Each move should count.

Sales that do not stick.—A salesman should attempt to make the sale permanent at the time of the demonstration. This cannot always be done; hence exchanges and returns must be provided for. But while these are necessary to the welfare of the business, it must be remembered that the customer who is fully satisfied at the start and who stays satisfied, and not the one who makes exchanges, is the one who pays net profits to the house. Some salesmen forget this and take chances on the exchange office to complete their sales. Every exchange is an added expense, as is also the return of goods.

Ignorance of stock.—Lack of knowledge of stock results in waste of time, labor, and loss of customers. Time and labor are wasted just when they are most valuable—when the customer is at hand. And customers leave because they think that the salesman does not have that which he cannot immediately find. The salesman should know his stock as a stenographer knows a typewriter keyboard. He should be able to find just what he wants without hesitation. A salesman with such knowledge cannot be spared from the business.

Customers who do not come back.—It is well understood among business men that in these days of expensive advertising, the first orders often do not pay even the expenses. It is the "repeat orders" that yield the net profits. A store's business must be built in most cases upon the regular trade of regular customers. When a customer does not come back, the store has lost a profit that is proportionate to the business that this one customer may in-

fluence. It may be only her own trade. It may mean the trade of several families; and the trade of each family may amount to from $10 up to $50 net profit every year.

When good customers do not come back, it is usually because of discourtesy on the part of some one in the store, misunderstanding, or poor goods. Good salesmanship attempts to avoid all three. Courtesy cannot be over-emphasized. It is a most vital element in business. Misunderstandings are likely to happen anywhere, but the good salesman will go much farther than half the way to clear them up. Imperfect goods should never leave the store unless imperfection is fully explained to the customer. Such policies will help to hold trade.

CHAPTER XI

WINDOW DISPLAY AND OTHER AIDS IN SELLING

Helps for the salesman.—So far, we have considered the salesman and his work solely by themselves. We have represented him as making sales without assistance of any kind except the appeal of the goods to the customer. In most stores, however, the salesman's battle is not nearly so lonely as this. The store is generally constructed as advantageously as possible for the selling. The goods are appropriately displayed on counters, shelves, and other fixtures. The windows are used to call the attention of the passer-by to the qualities and prices of articles in such a way as to appeal to all possible customers. And the salesman's power is increased in range by the use of newspaper and other forms of advertising.

Two important principles.—In the plans made for a store there are two principles that must be held to constantly. The first is that everything attempted should serve the main purpose of the business, and the second is that every store activity should be so directed as to meet with popular approval or satisfaction. The retail store is a selling institution. Its main purpose is to serve the public by selling to it such goods as are needed in the line that the store has chosen to carry. Since its purpose is to sell, every plan for the store, every improvement, should be made to aid directly or indirectly in selling. The appearance of the store, the internal arrangement, the goods display, the win-

dow display, and the advertising in a retail business exist only for one reason—to assist in the sale of goods to the public.

Importance of manner of selling.—People need goods, and they want to buy goods, but, as we have seen, the *way* in which these goods are sold is important to them. Not only that, but the way in which their attention is called to the goods by advertising or window display and the surrounding conditions at the time the sale is made, are, as most merchants will now agree, very important factors.

The application of psychology.—These helps for the salesmen, then, must be contrived to fit human nature and to fit human nature in the most agreeable manner. Selling is largely a matter of creating a favorable impression in the mind of the customer. The salesman who is a practical psychologist works insistently toward this end. His task is much easier if he has been given good assistance—if the advertising and display have been so well done as to have created a good impression before the sale over the counter begins. These helps—advertising, window-trimming, store appearance, and store display—like salesmanship itself, are based upon psychology, and the principles that we found true for selling will be found equally true in their application to these helps.

The salesman and his interests.—The most tangible forms of salesmen's helps are, perhaps, newspaper advertising, window display, and the display of goods inside the store. The average salesman may have little supervision over some of these helps, but certainly he has an immediate interest in goods display inside the store; and, just as certainly, he will be a better salesman if he takes an intelligent interest in the other activities of the store that are designed to aid him in his work.

Underlying all forms of display, and also underlying many other kinds of helps in selling, there are certain prin-

ciples that are applied, either consciously or unconsciously, by those who are most successful in the various activities of a retail store. Before the several important kinds of helps in selling are considered in any detail, we shall lay the foundation for them by considering some of the principles that must be applied if the salesmen's helps are to be as effective as they might be.

Art in business.—Arrangement of material—whether of drygoods, hats, stationery, ornaments, hardware, or anything else—or the writing of an advertisement for a paper so as to appeal favorably to the human eye, must not depart from certain principles. There are great differences among individuals as to their likes and dislikes, but there are certain points at which most minds come together. These have been referred to as instincts. No one knows why certain combinations or lines or forms are agreeable, while others are disagreeable; nor why certain combinations of color are agreeable or disagreeable to nearly all people. Psychologists have not yet solved these questions. But the facts are evident, and the application of these facts constitutes art. Painting, sculpture, and architecture yield beautiful creations that everybody enjoys because the artists know the principles well and can apply them. The purpose of the salesman and the advertiser is different from the artist's, but the more art a man puts into his arrangement of goods or into the preparation of his advertising, in so far as it does not hide his main purpose of making sales the more successful will he be in making a favorable impression. It is likely that there can be too much fine art—for example, in a background of a window display. In such a case the people will look at the background and not at the goods in front of it. But disregard of art in the arrangement of the background will likewise draw attention to the background rather than to the goods, and the result will then be disagreeable to the onlooker. He will not see the

goods, for he will turn away at once and walk on. Art needs to be applied in such an unobtrusive way as to be itself inconspicuous, but so as to set off the goods to be sold to the best advantage.

Principles of art.—We can only suggest briefly some of the principles of art and their applications to retail selling. To go into detail would require a volume on window display alone and other volumes on advertising and store arrangement and display. The purpose here is to give a sufficient knowledge of these principles to enable the store salesman to apply them himself in the arrangement of goods in his department, and to enable him to have some understanding of the work of the professional window-trimmer and of the professional advertising man. For those who wish to carry the study further, there are many good books on the subject.

Harmony.—The first principle of art applicable to merchandising is this: In all arrangements of fixtures, goods, ornaments, and so on, there should be *harmony.* The tests of harmony are two—efficiency or usefulness, and beauty. Applying this principle to the store, we may say that every article or fixture therein must, first of all, be useful—the more useful, the better; second, it should be as pleasing in appearance as possible, considering its purpose. The goods you have for sale that most nearly comply with this principle sell the most readily. No matter what the fashion may be, the instinct for harmony is always more or less present; and appeals to points of usefulness and beauty, closely related, are not likely to be amiss.

Order.—A second principle of art is that of *order.* Nearly every one has an instinct that causes him to admire orderly arrangement—"a place for everything and everything in its place." This instinct is likely to be particularly strong among the successful classes of people, and possibly

there is some significance in this connection. The order instinct may have been one reason for their success. Good order permits the eye to begin at some definite point and then to trace its way onward easily. It is always noticeable that goods sell better when arranged in order than when thrown into a jumbled heap. Ordered arrangement tempts the eye to look; disorder tires the eye, and the customer moves on. In the best ordered arrangement of stock or of displays of goods on a counter, on a rack, or in a window, one article leads to another. The eye is drawn on and on to see the whole. The object is clear. Somewhere in the display there may be just the article that will rouse the interest and desire of the customer.

Meaning.—A third principle of art is that every arrangement or display should have *meaning*. It should stand for some *one* thing; in other words, it should express something. To show a man's shoe, a hammer, a piece of soap, and some barn paint in the same display means no *one* thing; it is simply a mass of unrelated objects. There is much display to be found in stores that means just as little to the average onlooker. As an illustration of display with meaning, consider a window that contains, for example, a great variety of household articles, such as paring knives, strainers, enameled ware, measures, spoons, kitchen knives, cake-tins, etc. Meaning is evident. To everyone and especially the housekeeper, there is suggested *the needs of the kitchen*. The housekeeper will look to see if there is some new article to be had that will serve her better than her home equipment. In other cases there will be recalled the need for articles that have been broken, lost, or worn out in the home. Although, as has been stated, this sort of display does have meaning, the meaning may be somewhat weakened by the great variety. Good, orderly arrangement will assist in making the meaning clear. If the window could be trimmed so as to represent a miniature kitchen, completely equipped, with

everything in its place, the meaning would become still more obvious.

On the other hand, a different, but strong meaning could be given to such a display by suspending a card centrally over all with some such inscription as the following:

Any Article in this Window

10c

Come In

Meaning is given to displays by building them around seasonal and other interesting events in the community. Autumn, winter, Easter, spring, summer, holidays, weddings, work, and sport—all suggest the need of various kinds of goods to various classes of people. Advertising and window display become significant and, therefore, interesting to the prospective customer when the display suggests these seasons or events. The train of thought suggested returns in a moment to the idea of the need for the goods. This may be the first time that the customer has thought of his need. The advertising or display has set him thinking. A sale is likely to follow.

Displays without meaning may not be entirely valueless though they are almost always uninteresting. They may serve at least one useful purpose; namely, to notify the public that the store has the displayed goods on sale. This is something but it is neither art nor salesmanship. Meaningless display brings in no customers except those who have of their own accord discovered their needs. Artists carry this principle to the extent that every line, color, ornament, form, or arrangement must have meaning. Applica-

tion of this principle to selling cannot fail to be of great value.

Lines.—It will be remembered that every impression made on the mind produces some kind of feeling, either of pleasure or of displeasure. Even so simple a thing as the sight of a line creates some responsive feeling. Though the effect of one line may be very slight, the effect of continuous impressions from lines is sure to be felt either as agreeable or as disagreeable. Different kinds of lines have different effects. Horizontal, straight, clearly defined lines give the impression of quiet and peace or rest; vertical lines produce a feeling of reliability; diagonal or oblique lines suggest movement or action. A broken line gives the feeling of interest, but if its breaks are frequent and the directions taken are monotonously similar, the interest grows into irritation. A thin, ripply, broken line makes many persons nervous. But a gently waving line is the most attractive of all. Artists say there is more formal beauty in the letter S than in any other letter because it is made up of such waves.

These facts become significant when we stop to think that every fixture is bounded by lines. Our goods are arranged in lines; the patterns in the goods and the outline shapes of the goods are lines. It is easy to see that the mental effects on a customer who sees the various kinds of lines mentioned, may be such as to cause the sale to succeed or fail.

Surfaces.—Among the various shaped surfaces, the square and circle are the least interesting. Variations of the circle into ellipses and ovals may become very pleasing. Curved figures are, on the whole, more pleasing than straight line figures. Of four-sided figures, the oblong is the most pleasing, and careful experiments have shown that this form looks best when the length is about one and two-thirds times the width. This is found to be true for nearly all people, so this shape has been called the "golden sec-

tion." Illustrations of its many uses may be seen in calling cards, envelopes, pictures, show cards, book pages, magazine and newspaper pages, advertising copy, table tops, window frames, window display, units, etc.; and in architecture it appears in a hundred different ways. The man who is going to plan or arrange displays, fixtures, or furniture for a store will find a study of the adaptation of the "golden section" of practical value. There are other shapes that are attractive in appearance, but none that are so generally applicable in so many directions.

Masses.—The art principles affecting the arrangement of masses are closely applicable to the display of goods. The sphere and the cube, like the circle and the square, are generally dull and uninteresting forms; hence few groupings of goods in such units should be attempted. The triangle and the star are good forms and are often used; equally good, of course, are the pyramid and cone. Perhaps these last two forms are in most common use.

Balance.—In all arrangement of lines, surfaces, or masses, whenever more than one group is attempted, there should be such placing as to get balance or symmetry. The show case that has all the goods piled on one end lacks balance, as does the window that has its heaviest trim too far from the middle. The principle of good balance can be applied wherever stock is laid down or displayed. It is a principle of constant application in all good window displays and in all good advertising, no matter what the medium.

Possibly to some it may seem impractical to deal with the refinements of art in a business like retail selling. If this thought is in anyone's mind, let him remember this: The man who is successful in store display, in window trimming, or in any of the allied activities of a store, always applies the common principles of art in his daily work. If he does not apply them, he is not successful.

He may not know that he is applying them; he may never have studied them; he may use them unconsciously. But, consciously or unconsciously, he applies them; for success in his work is founded on them. This is not debatable. It is an undoubted fact. Therefore some study of art principles is very much worth while for every salesman who wants to advance.

Effect of colors.—We have seen that lines, surfaces, and masses have certain mental effects. The same thing is true of colors. Colors have a direct effect on the feelings. Various tests have been made to see what colors, if any, might be called the favorites of most people. The results are not conclusive, but both red and blue rank high in the list. For wearing apparel, black and blue predominate, but this may be due largely to custom. It seems that almost any color can be made attractive to most people by using it in the right quantity and in combination with other colors of the right kinds.

Light is always agreeable.

Glitter, gleam, and luster always attract attention, and gold is a color that "goes well with anything."

Red is a warm, exciting color, and people think of it as a symbol of blood, battle, love, and action.

Yellow is the brightest of all the colors. It is joyous and uplifting. It also is exciting; but it symbolizes dishonor and jealousy.

Green is cool, hopeful, and inspiring, a symbol of spring. It is appreciated much more in cities than in the country, and more in spring than at any other time.

Blue is cool, calm, deep, still, and solid. It is the symbol of constancy.

White impresses one with the feeling of quiet joy, and suggests symbolically the idea of purity.

Gray is sober and quiet. It suggests neatness, delicacy, and refinement.

Black is melancholy and sober, but of great strength. It is a symbol of grief and death. No color has so much power to impress as black. Black and white in contrast is the most easily and clearly distinguishable of combinations.

Color harmony.—To assist the salesman, window trimmer, or decorator in grouping his goods and colors in the most effective manner, Plate II shows a complete color chart indicating the results of combining any two ordinary colors.

Optical illusion.—There are certain optical illusions of which the store decorator or trimmer should be aware. For example, yellow is about twelve times more forceful in carrying power than blue. Because yellow is the brightest color, a little of it goes a long way with other colors. Red, orange, yellow, and to some extent brown and green, are colors that seem to come near to the eyes—nearer by thirty per cent. than white. Blue, gray, blue-green, and violet are colors that recede from the eyes. As an illustration of this principle, a room with red walls appears smaller than it really is, while a room finished in blue will appear considerably larger than it really is. Everyone should know that large patterns tend to appear nearer than small ones. Vertical lines make height appear greater than it really is, while horizontal lines shorten the appearance of height. A true square does not appear to the eye to be square, and is, therefore, not so pleasing as one that is only apparently true. By making the two sides slightly shorter than the top and bottom, the matter will be remedied. There is always a tendency to over-estimate the height.

Effective display and store helps.—In the preceding paragraphs a few of the principles that underlie effective display have been suggested. They are all worthy of the salesman's careful study. In this text they cannot be treated in detail. The purpose in suggesting them has been to

CHART OF COLOR COMBINATIONS

	Blue	Brown	Cerise	Copenhagen	Green	Heliotrope	Maroon	Myrtle	Navy	Nile	Olive	Orange	Pale Blue	Pink	Purple	Red	Scarlet	Tan	Violet	Wine	Yellow
Blue		2	1	1	1	3	2	3	3	3	2	2	2	2	4	1	2	1	3	2	2
Brown	2		2	3	2	3	2	2	1	3	1	2	2	3	3	2	3	2	3	2	3
Cerise	1	2		3	3	4	3	3	2	3	3	3	3	3	3	3	3	3	3	3	3
Copenhagen	1	3	3		3	4	3	3	2	3	2	3	2	3	3	2	3	3	2	2	3
Green	1	2	3	3		4	2	3	2	3	3	2	4	3	2	2	3	2	3	2	4
Heliotrope	3	3	4	4	4		4	3	3	3	3	4	3	1	2	4	2	1	2	3	2
Maroon	2	2	3	3	2	4		2	2	2	2	3	3	3	2	3	3	2	3	2	2
Myrtle	3	2	3	3	3	3	2		1	3	3	3	3	3	2	2	2	1	3	2	3
Navy	3	1	2	2	2	3	2	1		3	1	3	1	3	3	1	3	1	3	1	2
Nile	3	3	3	3	3	3	2	3	3		3	4	2	2	3	3	3	2	3	3	3
Olive	2	1	3	2	3	3	2	3	1	3		3	3	2	3	3	3	3	3	2	3
Orange	2	2	3	3	2	4	3	3	3	4	3		3	3	2	4	2	2	2	3	3
Pale Blue	2	2	3	2	4	3	3	3	1	2	3	3		1	3	4	3	2	3	3	2
Pink	2	3	3	3	3	1	3	3	3	2	2	3	1		4	3	3	2	3	3	2
Purple	4	3	3	3	2	2	2	2	3	3	3	2	3	4		2	2	2	2	2	2
Red	1	2	3	2	2	4	3	2	1	3	3	4	4	3	2		2	2	3	2	3
Scarlet	2	3	3	3	3	2	3	2	3	3	3	2	3	3	2	2		2	3	3	3
Tan	1	2	3	3	2	1	2	1	1	2	3	2	2	2	2	2	2		1	2	3
Violet	3	3	3	2	3	2	3	3	3	3	3	2	3	3	2	3	3	1		2	2
Wine	2	2	3	2	2	3	2	2	1	3	2	3	3	3	2	2	3	2	2		3
Yellow	2	3	3	3	4	2	2	3	2	3	3	3	2	2	2	3	3	3	2	3	

1. Good. 2. Fair. 3. Possible, but not recommended. 4. Impossible.

Neutral colors are white, cream, light tan, moss green and black. Gold and silver will combine with any color. White may be used to intensify any color. Black has the opposite effect.

PLATE II.

arouse interest in them, to show their importance, and to indicate to the ambitious salesman one field of further study that will pay rich dividends.

The principles of art and display find their application in the various kinds of salesmen's helps that were mentioned at the beginning of the chapter. One of them—newspaper and other forms of periodical advertising—is treated in some detail in a later chapter. A few of the other salesmen's helps are suggested in the following paragraphs. In the case of some of them, the opportunity of applying the principles of art may seem very remote; sometimes, of course, these principles cannot be applied at all; but in most of the salesmen's helps the principles that we have been considering have a very real and very obvious application.

The store's location.—The first of the salesmen's helps is an advantageous location for the store. The number of people who visit a store, the interest with which they will view its offerings, the ease with which the salesman will be able to appeal to them—all these things depend first upon whether the store is advantageously situated or not. Several large companies, especially the chain store syndicates—five- and ten-cent stores, cigar stores, grocery companies, and restaurants—station men to count all passers-by at each place under consideration for lease or purchase. The time at which the count is made and the period for which it is continued are carefully selected so as to show what is the average or normal number of people passing the location during a given period. Such investigations frequently extend over several days so as to make sure of a fair average per day.

Besides numbers, these stores also investigate the character of the people who pass by, their object in passing the given place, whether the reason is permanent or merely temporary, the economic position or wealth of the passers-

by, and their purchasing power. A store established after such studies as these, and carefully provided with all the modern aids to selling, if it has good salesmen becomes a scientific selling institution.

The store exterior.—The external appearance of the store is important. Cleanliness is the most essential point. Clean windows, clean sidewalks, and clean looking doorways are things that create favorable impressions for the store in the minds of most people; they never create unfavorable impressions. To this point we have already alluded. Next to cleanliness comes color. Fresh, bright exteriors are powerful in attracting favorable attention, and they invite or attract the customer. As to proper colors for stores, these should, first of all, be in harmony with the kind of goods offered for sale and with the selling policy. There is, perhaps, no conclusive reason why second-hand goods and dingy looking stores should always be associated, nor why the idea of cheap goods and poor qualities should occur to us when we look at a faded, run-down, rusty-looking building. But it is a fact that these associations are frequent. The gray stone, dignified front of the high-grade store, and the gold and maroon fronts of the syndicate five- and ten-cent stores, both express their policies effectively. Both are excellent for their respective purposes. Solidity and substantiality may be strongly suggested by the structure and coloring of the store itself.

The window.—The good display window is ordinarily oblong in shape, with dimensions corresponding to those of the "golden section"—that is, with the length approximately one and two-thirds times the width. The height of the lower edge above the sidewalk depends somewhat upon the kind of goods the store usually shows. Eighteen or twenty inches represents a good average height. The frame of the window should be simple, neat, easily cleaned, and in keeping with the front of the store. Many splendid

plate-glass windows are spoiled by poor frames. As much care should be used in choosing the proper frame for a window as would be used in getting a good picture framed, for the window display is to be a three dimension picture or tableau. The display surface behind the glass should be suited to the business. In drygoods stores it should be about six feet deep, and floored with parquetry and green carpet. The background is important. Its material and colorings serve to set off the goods to be shown. Mirrors are effective for coats, suits, and other women's wear. Wood panels are effective for dress goods, notions, and other drygoods. Various textiles and paper coverings and all sorts of ornaments have been devised to decorate windows. Many of them are good. Great care should be used in their selection, however, because many window effects have been spoiled by bad taste in dressing.

Purpose of window display.—A commercial window display is intended to catch the attention of passers-by and to hold that attention until favorable interest is aroused. If successful, it pulls people into the store to examine and to buy the things seen in the window. It appeals to the eye, and seeks to reach favorable and habitual channels of thinking in the minds of passers-by, by the use of reason, suggestion, or command. With some goods it may be possible to reason by means of a window display as forcibly as with words, concerning quality, construction, or price. In other cases the display suggests the satisfaction that the onlooker would have were he the owner of the goods. And in others it dictates in a friendly way, and directs the onlooker "to get this or that and be in fashion." Which method shall be used is a matter for study. The selection of method depends upon the goods displayed and the classes of people to whom the appeal is made. Whatever purpose is selected, the trimmer seeks to express it clearly, and without any accompanying features which may cause mental

objections, dislike, or distaste. He makes every detail aid him in his purpose—the goods displayed, the window frame, the front of the building, the lighting of the window, the display surface, the fixtures, and the background.

Attracting attention.—Window dressing is clearly an application of the principles of art. A window display is to be judged first of all by its power to compel attention. If it does not do that, it is valueless. In the second place, this attention must be relevant to something connected with the business. Anyone can get attention by putting into his windows something unusual; as, for example, a cage of monkeys, a humorous cartoon, or a collection of coins. But these do not sell goods unless the store has for sale the articles shown. The window display draws attention in order that the store and its salesmen may sell goods. In the third place, the attention attracted must be favorable. It will do no good to the store to have people stop to look at a piece of goods that is badly worn, soiled, or faded. The onlookers will receive only negative impressions from such goods, and trade will go to other stores.

What constitutes good display.—The window display must be orderly and simple; it must have meaning, as has been shown, and it must be appropriate. It should be changed often enough so that people who pass it regularly will fall into the habit of looking for the new in it every time they pass. This means that it should be changed not less than once a week, and twice a week would be better. While the trimmer must apply the principles of art in getting his form and color effects, he must seek to introduce new elements as often as possible in form, color, arrangement, grouping, and use of open space between groups. Principles of art leave a very wide latitude for originality. Many trimmers use ready-made designs and plans provided for them in books and trade papers. Others receive complete outlines from manufacturers. The latter are gener-

ally good, and the number of companies furnishing them is constantly increasing. Book and trade paper plans are most valuable as suggestions. However, to take what has been used, even with success, in one place and to try to apply it without change in another may not be wise. The skillful window-trimmer will study many display suggestions; he will visit as many cities and other stores as possible, and then he will apply the ideas he has picked up, in the way most suited to his own business and trade.

The occupation of window-trimmer, like that of demonstrator, is a step up for the store salesman. Every salesman or saleswoman who has artistic talent and an eye for good form and color arrangement, should undertake the study of window-trimming after learning all that is possible about the art of selling. A knowledge of personal salesmanship is fundamental to window-trimming, as well as to all higher store positions.

The entrance.—The arrangement of the entrance to a store may be either a help or a hindrance to the salesman. The number of store visitors and the amount of sales will be increased if customers find it easy to enter a store. The doors should be situated with reference to the possibilities of accommodating the public. They should swing easily, lightly, and without friction or noise. They should be amply wide, and should have no projections likely to catch and tear the clothing of those who enter or pass out. A store that can only be entered by means of a flight of steps is at a disadvantage as compared with a competing store in which the entrance is on a level with the sidewalk. In small towns where each store has an established clientele, this disadvantage is not serious; but it is likely to become serious in larger places where buyers "shop" from store to store.

Arrangement of departments.—It is important that the interior of the store be so arranged as to be of the greatest

possible aid in selling. In the first place, the arrangement should be such as to make a good first impression on the visitor. It should be easy for him to get an idea of the floor plan—to see the location of the different departments so that he may lose no time in getting what he wants. Low cases behind the counters aid in making this possible. Well displayed goods, and plenty of prominent and legible show cards also help. New and attractive goods should be placed near at hand. Other considerations demand that the goods near the entrance should be such as require little personal salesmanship. In a drygoods store, notions and novelties of various kinds seem to serve this purpose best. They make a good effect on the eye, and many visitors who drop in from the street for some reason, not necessarily to buy, are often attracted by some little novelty which they may purchase then and there.

In any store where men's goods are kept these goods should be placed near the door. Often, if placed farther within, a man will hesitate about going in at all. High-priced goods requiring careful selling should be located in a part of the store where there is the least noise and passing of people. Among such articles may be named ladies' suits, coats, furs, rugs, wall coverings, pictures, sewing machines, musical instruments, complicated tools, machinery, etc.

Interior appearance.—Some merchants want a store to look like a parlor. Others want it to look like a business place where there is something going on every minute. The former are appealing to exclusive trade; the latter to the masses. In most cities there is really so little exclusive trade as to make the former policy, carried out by itself, unprofitable. Traders from the exclusive classes are proverbially fickle. They often transfer their trade as the result of a whim. The average store will do best which attempts to serve the average citizen in the best way. The

exclusive classes should be encouraged to come, to be sure, but the policy of the store should be democratic and not aristocratic under most conditions. Therefore the store which never tries to hide the fact that it is a store, but, instead, makes the most of that fact, is likely to do the best.

Show the goods.—It may be stated as a general principle that a store should show as much of the goods it has in stock as possible—not inclosed in cases and packages, but displayed so that people can see them easily. There is a question as to whether certain goods should be kept under glass cases or on open counters or tables where they can be handled by customers. Some goods to be sure, cannot stand much handling because of the ease with which they tarnish or soil or become damaged in some other way. But, on the whole, most merchants agree that more goods are sold where customers are allowed to handle and look them over, than where everything is under glass. There are, no doubt, exceptions to this; but there is good psychology favoring the open counter. No customer is so well sold as when he sells himself.

Show cards.—Show cards are one of the most valuable of all store aids to selling. Every store can use to advantage a great number of show cards of various kinds—large ones to designate the departments and the goods sold therein; others to describe goods (silent salesmen); others outlining the policy of the store towards its customers; and others merely giving prices. There seems to be no good reason now why a one-price house should not have price cards on all displayed goods. There is every reason for this practice. Price is an important consideration for buyers in at least seventy-five per cent. of all purchases. Most persons do not care to be led too deeply into an interest in a thing without knowing whether the price lies within their means or not. The price card on the goods answers a

question bound to arise sooner or later, and answers it before it is asked.

Above all, show cards should be plain, easy to read, and easy to understand. Black letters on white cardboard is the standard and most legible arrangement. The message on a show card needs to be so brief that it can be read almost at a glance. Perhaps no field of store advertising offers such opportunities for effective, terse expression as the planning and writing of show cards. The ranks of good show-card writers are by no means overcrowded. The good salesman who possesses some artistic talent can increase his efficiency greatly by studying the principles of show-card design and writing.

Other aids to selling.—It is not possible to discuss all the activities of a store that aid in selling. Everything the store does should be designed to increase sales, either directly or indirectly. The store's advertising is by no means confined to newspaper publicity or to window displays. There are many other kinds of advertising, and all of them have more sales as their one purpose. For instance, the bargain department is primarily an advertisement. It is intended to get people into the store—to make them buy the bargains, to be sure, but also to make them buy other goods at regular prices. To be most effective the bargain department must really offer bargains, and there should be such frequent additions and changes in the offerings as to make the department interesting even to the customer who calls most frequently. The fundamental selling argument of the bargain department is price, and in no part of the store is the price card so absolutely necessary. Open shelves and counters where customers may see and handle the goods are the rule.

The location of the bargain department is important in a store plan, and the arguments for one or another location should be carefully weighed. A bargain department

is better patronized than any other part of the store, so far as numbers of patrons are concerned. If it is placed near the main store entrance, the sight of the moving crowds near the bargain tables will draw the attention of many who pass on the outside, and who will be attracted by curiosity to come in. On the other hand, the net profits per sale in the bargain department are likely to be small; hence the merchant usually thinks of that department chiefly as an advertisement—to draw patrons into the store. If the people attracted by the bargains are to buy goods in other departments as well, the bargain department should be so situated that a customer must pass through some of the other departments before and after visiting it. This gives the regular store display a chance to impress the customer and to suggest the need for other goods than those wanted on the bargain counters. For this reason, the bargain department is usually situated in the back of the store, or on some other than the main floor.

Two other aids to salesmen are the entertainment features provided by the store and demonstrations of goods suitable for demonstration purposes. Entertainment features—rest rooms, music, etc.—are excellent in so far as they draw people into the store and *do not take the attention of store visitors from the goods on sale.* Anything that contributes to the comfort of patrons is good. But if people are drawn into a store in order to see or hear or do something that has no real connection with the goods offered for sale, there may be differences of opinion as to the value of the attraction.

The last salesmen's help to be mentioned is the store demonstration. A demonstration is really a special form of applied salesmanship. It seeks to get the undivided attention and interest of prospective customers, to suggest uses, to excite the onlookers' imaginations, and to prove the quality of the goods. Every display is, in a sense, a demon-

stration, but a demonstration is not at its best until the attractive power of the goods themselves is supplemented by the salesman's power of description. Demonstrations of store goods are splendid aids in selling. Every store should look carefully into the advantages of frequent demonstrations. Demonstrations are used widely, but not nearly so widely as they should be. In nearly every store there is an unused opportunity to show clothing on living models, to demonstrate food stuffs, or to present some other kinds of goods in such a way as to make the most effective appeal to possible purchasers.

CHAPTER XII

RELATION OF THE SALESMAN TO HIS EMPLOYER AND TO THE PUBLIC

The salesman a representative of his house.—When a merchant hires a salesman, he does so, theoretically at least, because he cannot be in all places himself. He must have help. The salesman takes the place of the manager of the business and acts for him in the capacity of a representative. A salesman's salary is his remuneration for thus representing the owner. In a very true sense he is successful only in so far as he successfully represents his employer.

The salesman's service to his employer.—When a salesman accepts employment in a store, he contracts to give the following things to his employer:

1. Certain hours of time during which he is supposed to be on duty.

2. Certain services to be performed during that time in the best manner possible.

3. A certain mental attitude towards the business, consisting of a desire to see the business succeed and a willingness to help it succeed.

4. A certain attitude towards his work that will lead him to use such expressions as "our store," "our goods," and the pronoun "we" instead of "they" when referring to the place where he is employed. It does not matter what salary a man is paid; the contract is essentially the same

in every case, and must have been accepted by the salesman before he could have obtained his position. His continuance in that position must be based upon the proof or at least the assumption that the salesman is fulfilling his part of the contract.

A recent business magazine contained this statement, which expresses the idea exactly: "If you are going to work for a man work for him. Speak well of him, stand by him, and stand by the institution he represents. An ounce of loyalty is worth a pound of cleverness. If you want to condemn, resign first and then condemn to your heart's content." Also, "Don't kick about the boss behind his back. If you can't say anything good, keep still."

Do your best for your own sake.—Besides the reason already given for a salesman's always doing his best—which is only his plain, common, everyday duty—there is another reason. This second reason is that if a man does his best continually, he is really keeping in training for better things; while the man who habitually does less than he can do, shortly finds that his best has dropped down instead of risen. For his own sake, then, every salesman ought to do his best at his work.

Co-operation.—Personal service in a retail store means, among other things, getting along well with other employes—assisting them in the interests of the house. In a large sense, civilization is measured by how well people can get along with each other and can work together. Ability to co-operate is a sign of culture. The individual who can only work by himself and for himself is something of a savage. He is crudely developed.

Store rules.—The personal service that a salesman agrees to give includes cheerful compliance with the rules, policies, and traditions of the store. As far as possible, he should be given the reasons for all rules and customs; this is not always done, and when it is not, the new salesman is likely

to look upon some of the regulations as unreasonable. There are some practices in some retail stores that need to be abandoned, but for the most part, the rules are a development of long experience, and express tersely what has been found the safest policy to follow. The salesman should aim to acquaint himself with all of the rules as soon as possible, and, since he is the employe and not the employer, he should comply with them completely. Suggestions for changes, when made in the right way, are usually welcome.

The things that are put down in store rule-books vary considerably, but the principles back of the rule-books are generally the same. There are four things that are generally demanded of retail salespeople: *punctuality, care of stock, industry,* and *politeness.*

The store wants its salespeople to be regular in attendance and to be punctual in arriving and leaving the store according to the store schedule; to perform the regular duties of the store in quick time; to begin the day's work without unnecessary delay; to report calls for merchandise as soon as possible to the buyer; to make known errors in transactions at once; to replenish stock at the right time; to give any information the store manager may need as soon as such information has been gained. In summary, the salesman needs to be *always ready.*

Proper *care of stock* means that it must be kept in order, free from dust, and looking its very best. Proper care of stock certainly means also that the department should be kept fresh and clean, that the displays should be attractive, and that everything should be ready for doing business with little likelihood that there will be waste of either time or energy when the actual selling begins.

Store rules about *industry* mean that the salesman owes his best service to the customer and that he must do his best to make sales. There need be but few idle moments

in any store, for, when there is no selling to be done, the salesman can spend his time in improving his department.

In requiring *politeness,* the store expects that the salesman's manners should always be the best—that he should be a gentleman at all times and under all conditions.

Some years ago a large industrial corporation in Ohio published the following rules for the benefit of its employes. The ideas are valuable and are interestingly stated. They are full of valuable suggestions for retail salespeople.

Our Ten Commandments

Rule I. Don't lie—it wastes our time and yours. We're sure to catch you in the end, and that's the wrong end.

Rule II. Watch your work and not the clock. A long day's work makes a long day short, and a short day's work makes our face long.

Rule III. Give us more than we expect, and we'll pay you more than you expect. We can afford to increase your pay if you increase our profits.

Rule IV. You owe so much to yourself that you can't afford to owe anybody else. Keep out of debt or keep out of the shops.

Rule V. Dishonesty is never an accident. Good men, like good women, can't see temptation when meet it.

Rule VI. Don't do anything here which hurts your self-respect. The employe who is willing to steal for us is capable of stealing from us.

Rule VII. Mind your own business, and in time you'll have a business of your own to mind.

Rule VIII. It's none of our business what you do at night. BUT if dissipation affects what you do the next day, and you do half as much as we demand, you'll last half as long as you hoped.

Rule IX. Don't tell us what we'd like to hear, but what we ought to hear.

Rule X. Don't kick if we kick—if you're worth while correcting, you're worth while keeping. We don't waste time cutting specks out of rotten apples.

Not hard to get into high class of salesmen.—The salesman who really wishes to succeed at his profession can do so perhaps more easily than in any other calling. There are great numbers of poor salespeople and great numbers of fairly good salespeople, but very few really good or excellent ones. The poor ones are for the most part those who know nothing about their goods that most customers do not themselves know, and they care nothing for the business. The fairly good ones are interested in the business in a way, and through long experience may have picked up considerable information about their goods, but this information is not in any organized form. They may be good people, always on time, loyal, and ready to help; but they lack the ambition to study their work, which is the mark of an expert salesman. Two years of close, concentrated study of a line and its selling problems are enough in most cases to give any bright young person a start in the science of selling that will send him rapidly to the front. If the opportunity does not come in his own store, it will come somewhere else.

How to improve in salesmanship.—To advance in salesmanship the man with ambition to succeed should do the following things: He should study the books dealing with the goods he handles, read the trade papers, and ransack the public libraries for help. He should write to the manufacturers of his goods for information about them, ask questions of his superiors, of buyers, of traveling salesmen, and of anybody who might have some new information

to impart. Above all he should keep his eyes and mind open. Whenever the opportunity offers, he should visit other stores and let other clerks experiment on him, and he should analyze the feelings aroused in him by different kinds of selling methods. If possible, he should visit the places where the goods he handles are produced.

Poorly paid salesmen may cost employer more than good salesmen.—Salaries are generally paid to salesmen on some basis that corresponds with their earnings for the store. There are in retail stores a good many poorly paid people; but this should be said for that condition—there are many five dollar a week salespeople who actually cost the firm more than those who are receiving ten or fifteen dollars per week. It is selling ability that counts, and selling ability depends upon the salesman's knowledge of his business, his health, his ambition, and his direct and wasteless use of his time and labor.

Relations to community.—Besides his duties to his house and to himself, the salesman has a definite place and definite duty towards his community. Social relations are helpful in gaining selling success. A good salesman always has many acquaintances, but like all other classes of people, he should choose his friends with care, for we are all judged by the friends we make and keep. The salesman should be of the social type, the kind that likes good company, but he should never let social duties encroach on his business so as to cut down his efficiency. Social ambitions are dangerous to selling success. An evening now and then at a social gathering, with plenty of nights intervening for quiet rest, is the best rule. If a salesman loses the sleep he needs, he will soon be only a poor order-taker. It takes live, wide-awake human energy to make sales.

Salesmen and politics.—A salesman ought to take a citizen's interest in all political matters and to vote for that which seems right and for the good of all at every oppor-

tunity, but he will spoil his usefulness as a salesman if he turns politician, or if he begins to talk politics. This always makes enemies and creates dislike among some classes of people. A salesman is in a sense a public officer who should aim to serve all people alike. To take sides too strenuously with any party will hurt his efficiency.

Be true salesmen.—The salesman should never try to appear what he is not. To be a good, honest, well-liked salesman is enough honor for anyone, and such a person has reason to feel proud of his condition. Be proud of your calling. Be jealous of the honor and good will that good salesmen are everywhere building up.

Keep yourself strong.—The salesman should be a good business and moral example for his community. He should pay his debts promptly, live within his means, and live a clean moral life. No salesman can afford to take chances on injuring his efficiency by using any form of alcoholic beverages. It simply does not pay. Tobacco likewise hurts the efficiency of thousands of men. Perhaps you are only a mediocre salesman because of reduced energy and keenness of mind due to smoking. We know smoking has this effect on some people. As a business proposition, does it pay to take any chances with any habit that is questionable in its effects?

Fight blue days.—Fight down blue days; struggle against the feeling that sometimes tempts one to say, "I can't" "It can't be done," "I'll wait till to-morrow," and a number of other threadbare, backboneless expressions. *Have faith.* Believe in yourself, your employer, and your goods. Go to work every day with conviction that your work is good and your success certain. A noted sales manager once prepared a catechism, which he required each salesman to memorize and to repeat every morning before beginning work. It is said to have been wonderfully effective. Suppose we change the questions so that they apply

strictly to retail selling. Learn the catechism. Repeat it every morning. It cannot fail to increase your efficiency.

Catechism for Salesmen

Am I working for a good house? YES.

Has my house the reputation of being one of the best in its line? YES.

Is it the policy of the house to treat every customer courteously, and to deserve her future trade? YES.

Am I going to put that policy into effect? YES.

Do I owe my best services to my employer? YES.

Am I going to do my best to-day? YES.

Is salesmanship a big, worth-while work? YES.

Am I going to succeed? YOU BET I AM.

Optimism.—Finally, be optimistic. The world is not such a bad place after all. In fact, it is just about what we make it, so far as we are concerned. Be bright. Let the sun shine in. Find the silver side when clouds gather. A great business manager of a chain of retail stores sent the following letter to every salesman in his employ. Read it slowly and carefully.

Do You Belong to the Lodge in Which a Smiling Face Is the Only Requirement?

There is no money necessary.

There is no initiation ceremony.

There is no password—regalia—dues or lodge room.

This is all that is expected of a member:

When he meets anyone who is grouchy, he smiles and asks, "Do you belong?"

If the grouchy one has heard of the order, he is reminded that a smile must chase away the grouch.

Greet everyone smilingly—it's a great tonic—it pays a big dividend to both the giver and the receiver.

The wrong a man does in letting an unhappy expression stay on his face is not confined to himself but is a blighting influence on the health and spirits of everyone he meets.

DO YOU BELONG? SMILE! The smile lets a light in on the darkened and depressed brain.

DO YOU BELONG?—A SMILE PROVES THAT YOU DO; a frown is an admission that you don't.

Don't ask, "Belong to what?"—the organization is nameless.

Try to merit the privilege of membership by keeping unhappiness out of your face.

CHAPTER XIII

EFFICIENCY AND STORE ORGANIZATION

New lines of business opportunity.—Much is now being said about efficiency in all lines of business management. Until recently business men in this country have given more thought to expansion than to intensive study of methods of improving their old holdings. With but few exceptions, the large fortunes of the United States have been accumulated by wise and fortunate extensions of capital into new fields and unworked fields, rather than by scientific management of the original enterprises. This has, naturally, been the case in a land where unworked natural resources existed in abundance. Now that free land has practically disappeared, the supplies of iron and coal are nearly all developed, and water power and other resources are absorbed in ownership, the masses of business men have been forced to turn from the former customary American methods of investment. Young men are no longer advised to "Go west and grow up with the country." The West is already fairly well grown-up. The man with ambition and capital no longer considers building a railroad through a wilderness which his vision foresees will sometime bloom with the products of civilization's labor. There are no longer such wildernesses. It may almost be stated now that so far as trunk lines are concerned, the railroad systems of our country are nearly completed. It becomes less probable, with every passing year, that new bonanza

mines of minerals are still to be discovered. The prospector has been replaced by the geologist, who figures out in advance, from certain general information he possesses regarding the geological formations of an area, the possibility of finding valuable minerals.

Intensive management.—So captains of industry are no longer the men who are hazarding their fortunes and their lives on the frontiers of civilization. The time has come for advance in another direction. The business man of vision and ambition, to-day turns his attention to the thing called efficiency. He seeks to cheapen the cost of production. As a result, invention, in the past said to be the offspring of necessity, has now come to be an occupation based on science. The capacity of machines is being increased many-fold, and the powers of labor realized more fully. Scientific management makes the most of tools, material, and of men. Rightly employed, it promises greater benefit to mankind than any other industrial step that has ever been taken.

Recent interest in scientific management.—There has recently been more attention given to this subject than ever before. This has been due quite largely to the publicity that was given to certain hearings before the Interstate Commerce Commission during the season of 1910-11 in which the railroads of the country asked that they might be allowed to increase their freight rates. The railroads attempted the explanation that such an increase was necessary in order to carry on transportation and make such improvements as were necessary in track and rolling stock. Their opponents, the shippers of freight, through their attorney, Louis Brandeis of Boston, introduced the unique argument, backed up by evidence of undisputed value, that if the railroads would but apply such principles of scientific management as had already proved effective in other similar lines, an increase in rates would be wholly unnecessary in order to get the increased financial returns desired.

He estimated that a saving of a million dollars per day could be effected readily. The Interstate Commerce Commission decided in favor of Mr. Brandeis. Since then, business magazines have teemed with articles upon efficiency and scientific management. Business men in all parts of the country have studied their own industries in the light of this new science. Much experimenting has been done. No doubt many rash, ill-timed beginnings have been made only to be followed by mistrust and ridicule; but scientific management, in its right meaning, has come to stay.

Scientific management in retailing.—The principles of this science are few and simple, but the methods required to obtain exact applications of the principles to a given business are often laborious, requiring much time, patience, and care. What these principles are need not here be considered, except as they may be applied to a retail business. The main features of any science are, first, the gathering together of the common experiences of those engaged in the same work; second, the analysis of these experiences to determine the reasons for the success of some methods of procedure and for the failure of others; and, third, a restatement of those reasons in such terms as to make them applicable elsewhere. These have been the aims of these chapters on retailing. It has been their purpose to bring home to the student business man, the lines along which efficient retailing is developing, its relations to other business and to society, and its relation to the science of psychology, economics, and sociology. It now remains to point out more definitely some of the means whereby the efficiency of a retail store may be increased.

Efficiency engineers.—In the last few years it has become common for industrial and commercial establishments, for the purpose of increasing their efficiency, to call to their service for a time experts in their respective lines—men who can make careful studies and draw accurate conclu-

sions therefrom. Not only is such help called for by concerns when it becomes evident that they are in a bad way financially, but even more frequently it is called for by strong, virile, active businesses that are known to be doing well. These successful organizations recognize the possibility of doing still better. Some years ago the mail-order house of Sears, Roebuck and Company paid $30,000 for an expert investigation of its business. The results were, no doubt, satisfactory; for the following increase in business has been phenomenal. There are hundreds of experts in this country whose entire time is given to investigation of this kind—to giving expert advice and suggestions. The name of "efficiency engineering" has been applied to their calling.

Scientific study of a concern.—The first step in an investigation such as a professional efficiency engineer would conduct is to analyze the business, determine what it has to do, and the means it has to do it with. The next step is to study each activity that is carried on, to see that it proceeds in a straight line towards its aim, and to be sure there shall be no wastes in motions or in materials. Such an investigation reveals the kind of organization of forces and materials that is necessary to the most economical performance of the work. Let us see what such an analysis will show for a retail store.

Analysis of a retail store.—The work of a retail store is the buying and selling of goods so as to yield a profit for the house. To carry this on effectively, there must, then, be the goods that are bought and sold; there must be a building well adapted to storing and to selling goods; there must be a force of people working systematically to show, sell, and deliver the goods; there must be means of reaching the public to tell them about the goods the store has for sale; and there must be records to show whether the business is advancing or going backwards, and to relieve the

memory of the manager of a mass of important and valuable information which it would be impossible for him to keep in mind.

These five divisions—goods, store, employes, advertising, and bookkeeping—are usually cared for by four departments. The selection, buying, and selling of the merchandise is put under a department headed by a so-called *Merchandise Manager.* The building, the systems of selling, and the hiring, dismissing, instructing, and disciplining of employes is made the work of an official called the *Store Superintendent.* The advertising is carried out under the direction of the *Advertising Manager.* And the bookkeeping is done in the *Records Department,* the chief of which is variously called auditor, head bookkeeper, chief accountant, records manager, etc.

Retail store organization.—The student should study Plate III with care. Note the four department heads already referred to, and the relation of each to the general manager or the owner of the store. This plate is intended to represent a good retail store organization employing from twenty-five to two hundred people. With certain minor changes it is applicable to even smaller stores. It should be understood at once that each oblong does not necessarily represent a person. Rather, it represents a part of the work of the store. One man may hold several positions; for example, the general manager is commonly the merchandise manager of his store, and may also be the store superintendent. In very small stores, with only a few clerks, the general manager is usually all four of the department heads, and he is a buyer and salesman besides. On the other hand, the plate does not show the number of persons that some of the oblongs represent. There may be several buyers, and dozens of salesmen, deliverymen, floor managers, cashiers, etc. All that the plate represents is an outline of the work to be done in a retail store, with lines

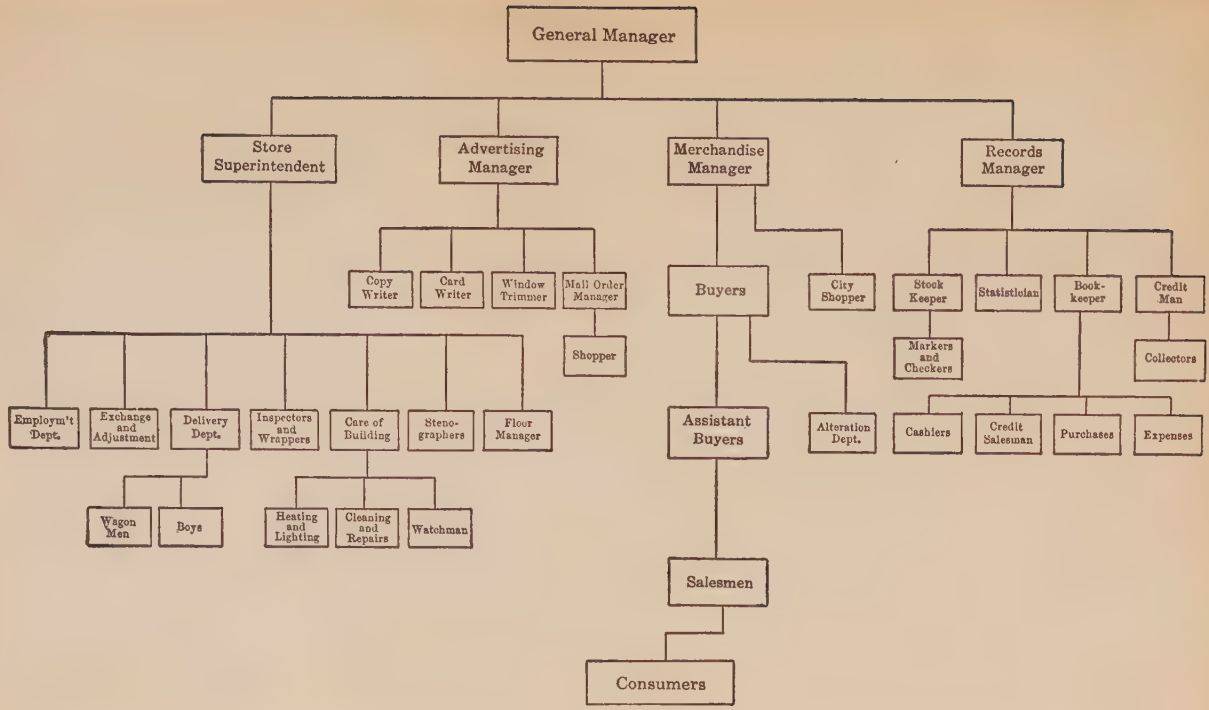

General Manager
Store Superintendent
Advertising Manager
Merchandise Manager
Records Manager
Copy Writer
Card Writer
Window Trimmer
Mail Order Manager
Shopper
Buyers
City Shopper
Stock Keeper
Statistician
Book-keeper
Credit Man
Markers and Checkers
Collectors
Employm't Dept.
Exchange and Adjustment
Delivery Dept.
Inspectors and Wrappers
Care of Building
Steno-graphers
Floor Manager
Assistant Buyers
Alteration Dept.
Cashiers
Credit Salesman
Purchases
Expenses
Wagon Men
Boys
Heating and Lighting
Cleaning and Repairs
Watchman
Salesmen
Consumers

PLATE III.

showing what departments are responsible for the work. It also shows the usual directions of promotion. For example, the efficient floor manager may hope to become a store superintendent some day; the window trimmer, an advertising man; the salesman, a buyer; the buyer, a merchandise manager; and the collector may become a credit man. Not that these are the only possible means of rising, but they are the most natural or logical.

Duties of each department.—Using Plate III as an outline, let us define the work of each of the departments so as to show its relation to the effective management of the whole business. We shall speak as if the work of each department were supervised by a separate individual, though the student must keep in mind that this definite separation does not mean that two or more of the departments cannot in some cases be directed effectively by one man.

The general manager.—The general manager is the owner or the representative of the owner of the business. He is the one who is directly responsible for the successful management of the business and the accumulation of surplus and profits. The owners, whoever they may be, have invested their money in the business in order to get returns or dividends. This desire on their part is entirely legitimate. They offer to do a service for the public for which a return is asked. But that service must be efficiently performed or there will be no dividends; hence the great importance of selecting a highly capable man for general manager. He needs to be a man of executive ability, an organizer, a leader, and a teacher of men. He needs to be a good judge of human nature, so that he can select for his department heads the right kind of people.

In the highly successful business, the general manager is well known to all of his force. He is approachable. He is always ready to give ear to any suggestion or complaint that cannot be disposed of satisfactorily by his subordinates.

Upon him devolves the important duty of determining the store policies, and his enthusiasm is usually the mainspring for the whole store. He has broad oversight over all the store. He needs to be familiar with its every detail, but he gives special attention to the financial and trade conditions upon which the store is to base its buying and selling policies.

That general manager is considered good who selects the best men for his department heads, who gets loyal, enthusiastic service from the entire force, who guides the buying and selling so as to give the store a good reputation among its patrons, and who manages the entire establishment so that the stockholders or owners are satisfied with the return on their investment.

Merchandise manager.—The merchandise manager is the store expert on goods, on demand, and on supply. He is the student of the markets, both for buying and selling. He follows the variations of prices of every article in which his store deals. He apportions the funds for buying among the departments, counsels the buyers, examines all of their orders for purchases, and passes upon all invoices, discounts, and other bills for goods. All buying correspondence must pass through his hands. Special sales, mark-downs, and extensive changes in goods displays are all planned by the merchandise manager.

All of the buyers and their salespeople are responsible to him, and he is responsible to the general manager for all purchases, sales, profits, and losses. No commercial positions pay higher salaries than does this one. Some merchandise managers receive $10,000 per year, while as high as $100,000 have been paid by two or three of the largest stores in the country.

Buyers.—Most stores have found it advisable to departmentize; that is, to classify the selling according to the kinds of goods sold. The department store is an example

of this departmentization. But not only has it been profitable to departmentize according to broad lines, as, for example, drygoods, groceries, boots and shoes, men's clothing, hardware, furniture, drugs, and so on; each of these in turn has been subdivided into departments. Take a clothing store for example—its departments may be men's suits, overcoats, children's clothing, hats, collars and neckwear, shirts, underwear, and possibly several others. A list of typical departments in a drygoods store is given in Plate IV. Each department is a complete little store by itself except for certain general services performed for all departments in common, such as delivering goods and keeping credit records.

The buyer is the storekeeper in his department. In fact, his "store" is often a much larger affair than most small retail houses of a few years ago. His stock may amount to thousands of dollars. As the storekeeper or head of the department, his duties can readily be understood. He is responsible for the results of his department to the merchandise manager. He keeps track of his stock, the sales, gross profits, and net profits of his department. He originates suggestions and selling plans which he proposes to the merchandise manager and advertising man. Finally, he is a specialist in the study of popular demand for the lines carried in his department, and buys the goods which will bring the best results. In his buying he is under the direction of the merchandise manager, but, except for limitations as to amounts of money to spend and general suggestions, he is generally given rather a free hand, with the injunction from his superiors to "make good."

It is his duty to call the attention of the salespeople to new goods, explain their talking points, and keep the salespeople keyed up and anxious to do well. He looks after the arrangement of the stock, carefully watches to avoid the accumulation of dead stock, and makes recommendations

for mark-downs in prices in order to move any goods that appear unpopular at the regular prices. As will be explained in the chapter on advertising, he supplies the advertising man with the necessary idea for the space which his department is allowed.

Assistant buyers.—Frequently a buyer is the head of more than one department; in this case he gives such time and service to each department as an independent storekeeper would give to the several departments of his store. But whether a buyer purchases for more than one department or not, an assistant buyer is a valuable official in a large store. The assistant acts for the buyer whenever the latter is absent. The assistant can also be of great use in keeping track of the routine and clerical work of the department. He may assist in making up stock plans and stock records. To him may be assigned the work of following up special orders and hastening deliveries. He may also be of assistance in making the necessary department reports for the records office. This work serves as splendid training for the man who aims to become a buyer. The salaries of good buyers run all the way from $1,000 up to $10,000 per year. Assitant buyers average about $15 per week.

The alteration department.—In Plate III, the alteration department is shown as being under the supervision of the buyers. This should be the case in all ready-to-wear departments handling goods that may require alterations to suit customers. If there is a department handling such goods in the store, the buyer for that department should be made responsible for its efficient operation. Good buying presupposes the buying of goods that will fit well. Poor buying will result in the need for more alterations than good buying. If the buyer is made fully aware of this by making him and his department stand the loss due to the expense of alterations, he will buy more carefully than he might otherwise.

Factory system in alteration department.—The alteration department should be operated on the same system as a special-order factory. It should be fitted with the best appliances and surroundings for the work, such as improved machines, good light, heat, and good air. By a system of cost accounting, it should be possible to determine in each alteration just what its cost to the store is, so that the buyer may be made fully aware of the situation, and so that the most effective methods of making the alterations may be devised.

The salespeople.—Directly under the buyers are the salespeople. They are responsible for the sale of the goods. Their duties have been discussed in detail in the preceding chapters.

City shoppers.—The merchandise manager often has a special class of assistants known as city shoppers. These individuals are employed to go about among the other stores in the city and learn what the stores are doing, the prices they are making, original methods of selling or display, and about arrivals of new lines of goods. Reports are made personally upon these points to the merchandise manager, who thereby keeps fully in touch with competition.

The advertising department.—Practice differs greatly with respect to advertising and the duties and powers of the advertising man. In some stores he has great power; in others he counts for little in the organization. Generally speaking, his influence seems to be increasing. It should be said that in most retail stores the advertising department is not given a co-ordinate place with the other three big departments. In some cases the advertising man is an assistant of the merchandise manager. Logically, this seems the proper relation, since the merchandise manager is responsible for the sale of the goods of the store and the advertising man helps to build up favorable attention and interest in the goods. But experience in a number of houses

has shown that the best arrangement is to have one man combine the functions of merchandise manager and of advertising manager as well.

Where the positions of merchandise manager and general manager are filled by separate individuals, both the advertising man and the merchandise man report directly to the general manager, who obtains co-operation from both for the general good of the business.

Frequently the window-trimmer and the card-writer work under other officials than the advertising manager. This is illogical where the latter is a strong, able man who fully understands store publicity. The displays and advertising of a store need to be correlated closely, and if all of this is done under the direction of the advertising department, the results are most effective. Where the window-trimmers and card-writers are scattered under other heads, there is usually weakness, or suspicion of weakness, in the advertising department.

In many cases the general manager is the real advertising manager, and the so-called advertising man is but a copy-writer. When advertising men understand retailing more fully, in addition to the matter that constitutes their art, this situation will pass away.

Wherever a store has encouraged the ordering of goods by mail, the advertising department has usually been responsible for getting the mail orders, and has had to supply the means for managing this business. The "shopper" shown in Plate III fills the mail orders from the various departments of the store; she tries to buy from the customer's point of view, and seeks to get as good a bargain as possible. In this way, when the shopper is efficient and in earnest about satisfying her mail-order customers, these customers often get the best goods the house has to offer at the price the customers are willing to pay.

The mail-order department in the small town store is in an

uncertain position. Many who have tried selling in this way have found that it does not pay its own expenses. More fortunate ones report that it just about carries itself, and that as a result of this kind of selling, the store gets good advertising which results in increased sales over the counter. Some dealers maintain that the mail-order department of the average store is the best answer to the question, "What is to be done about the competition of the great central mail-order houses?" Whether this is the right answer is still an open question.

The store superintendent.—The store superintendent is the general in command of the store and its operation. He hires and discharges the employes. Through him promotions are made, and the education of new employes is provided for. Upon the superintendent rests the responsibility for proper discipline and store order. Rivalries are smoothed out by him, and harmony among all employes promoted.

The superintendent must also provide for the establishment of necessary store systems. He establishes and organizes the delivery department, the inspecting and wrapping departments, and the exchange and complaint departments. The care and arrangement of the building are within his duties. He must see that it is kept clean, properly lighted, heated, and ventilated. Changes in the store plan are passed upon by him. Repairs are authorized by him, and supplies other than those to be sold again are purchased in his department. To do all this work he may have a small army of employes, organized in groups under various heads, as in large stores; or he may have the assistance of employes of other departments of the store for certain times during the day in cleaning the store, arranging fixtures, providing drinking water, moving goods, etc. The superintendent's department looks after everything about the store from building annexes to setting mouse-traps.

An efficient superintendent knows his building and the location of practically everything in it from top to bottom. He is the efficiency expert within the store. He attends to the elevators to see that they run safely, and his so-called "welfare department" attends to the welfare of the employes of the store—physically, mentally, and morally. Lunch rooms, rest rooms, nurses, educational lectures, educational courses, picnics, outings, concerts, athletics, savings funds, pensions, sick benefits, all fall under his department's management. He is a man who must be "on the job" early and late. He averages daily perhaps, three hours in his office and six hours about the store. He ought to be in the store at the time of opening, and he is usually among the last to leave.

Floor managers.—As assistants of the superintendent, there are usually a number of officials known as floor and aisle managers. Upon them devolves the immediate responsibility of keeping their respective parts of the store in good order, and of enforcing discipline among the sales force. Through them the superintendent has indirect supervision over the work of the salespeople.

The floor managers assist the salespeople in every possible way in the making of sales. They meet the store's visitors with smiles of welcome. They assist the visitors in finding the departments that are sought. They are, or should be, the store's courtiers. They watch customers to to see that they get what they want and are satisfied. If the salesman fails to sell, a skillful floor manager can often hold the disgruntled customer, and complete the transaction.

While strict in their enforcement of the rules of the house, the floor managers encourage and cheer the salespeople, and keep them in good spirits and enthusiastic in their work. Offering suggestions for the improvement of methods of showing the goods, pointing out selling arguments, or showing how to treat hard customers, are some of the ways

in which the efficient floor manager gives assistance to salespeople.

The floor manager obtains from the card writer all necessary signs and cards for the store displays. He sees that these cards are properly placed; also, that the goods and their arrangement look as they should from the customer's side of the counter. He is expected to suggest changes whenever he has any in mind. All lost and found articles, as well as change that is left by customers, are turned over to him, and he takes them to the general office.

He must look after the lighting, heating, and general comfort of this floor. Undue exposure in sunlight, or too little light are points he must note and correct at once by drawing curtains or turning on more light. In short the floor managers are the line officers of the store army. They secure the right co-operation among the departments. Through the activity of the floor managers the policies of the store towards customers become a reality. Salespeople are led by the floor managers to co-operate with the advertising department. Deviations from the regular systems of the records department, such as unusual demands of customers, changes in sales slips, etc., must be under the direction and by permission of the floor managers.

Stenographers.—There is another class of employes under the direction of the superintendent. Stenographers are not always assigned to some department for full time; hence the disposal of their time is placed under the direction of the superintendent. When any one in the store has occasion to have stenographic assistance, the assignment of some one to do the work is made through the superintendent.

The records department.—We cannot here go into detail concerning the work of the records department. That would require a book by itself. This text would not be complete, however, without a brief statement of the purpose of the work done in this department. Knowing this purpose,

the salesman, or other store employe, will be able to render much better co-operation, and to get more information of value out of the reports from the department, than would be the case without this knowledge. The books and records of the store are the means whereby its managers determine the success of work that has been done. Without them, the best and most efficient store managers in the world would waste a large part of their efforts. Careful accounting in the store has been the first important step towards making storekeeping more than a mere occupation. The old time store bookkeeping systems were thought entirely satisfactory if they but showed a cash balance corresponding to that of the cash drawer, a statement of the goods on hand made out once a year upon varying bases, and a list of the notes receivable and accounts receivable. Balanced with these were the liabilities, such as notes and unpaid bills, and the profits, whatever they turned out to be. No one knew just what part of the store the profits came from. In fact, it is now known that in many of the old time businesses some departments were carried on at an actual loss—a fact never realized until better accounting systems were established. No one knew what the costs or expenses of selling the goods were. A liberal profit was added to cost prices, with the hope that this would cover all expense and yield something of a profit besides. Credits were handled unsystematically, and dishonesty among employes was common—in many cases never discovered because of the loose system of handling funds and accounts. All this is passing away rapidly. The business that neglects to keep full records of what is going on is bidding for certain failure under modern conditions.

The up-to-date retail store accounting system provides for accurate figures on total sales, subdivided into cash and credit for every business day, not only for the entire store but for every individual department. From the average

amounts of mark-up, the percentage of profits for each department may be known for every day. As a check against this item, there is kept for every department a careful record of the stock on hand—a sort of perpetual inventory which will show the amounts of goods sold for any given day, and the amounts on hand. The expense of every department for every day is known so that the net profits also may be computed. If there should be a loss instead of a profit, the reasons therefor should be determined at once, and the proper remedies applied.

Careful computations and totals follow for the weekly and monthly statements, and once a year (twice a year in some stores) a thorough inventory is taken to check up the methods of computing amounts of goods on hand, their condition, and their value. This statement is made most complete for every department. Plate IV is an example of such a summary. Notice the headings and the detailed computation for every department. Imagine this statement on the desk in front of the general manager; explanations for the losses must be made to him in any department in which they occur. Such statements are living documents pointing with certainty at difficulties in business management; such, for example, as adverse market conditions, poor buying, or poor selling. If the market conditions are at fault, what remedies can be taken to suit the particular business under consideration? If the loss is due to inefficiency in the store, what can be done about it? There need be no guess work—no charge of favoritism. Either a department has made good or it has not. This does not mean that the best of buyers with the best of store systems do not run behind sometimes; but with a complete statement of actual results, the explanation for the reverse may readily be found. If the difficulties were of such nature that none could foresee them, then there can be no blame attached. But every mistake tends to be a valuable lesson to the buyers and

managers when a complete system of records is in operation.

Statistics and records.—Besides financial accounts, the department of records will build up a live mailing list of possible customers, systems for checking the arrival of goods, results of every advertisement, files of prices, dealers, addresses, etc. The town in which the store is located will be analyzed on a card system in the office of the records department. There will be lists of the names of all the good credit risks in the city. Perhaps a spot map on large scale may hang on an inner wall showing location in the city of the regular trade. This will serve as a guide to the advertising man and to the buyers. In conclusion, the records department will keep every sort of record that will be of use to the business.

The records manager.—The head of the records department needs to be a broadly trained accountant and systems expert, and needs to adapt his accounting and his systems to his individual business. Where credit is granted, the proper supervision over the records department is sometimes a difficult matter to decide. A good arrangement in the medium sized store is to have the credit man at the head of the records department. His work has long been recognized as important; and the placing of this official over the whole records department assures to the business that at least the important accounting of credits will be cared for properly. Obviously the collection department should be under the credit man, as has already been pointed out.

Store conferences.—There is one other sort of organization in a store that merits more attention than it has received, and that is the conference. First of all, there should be a weekly council of heads of departments, presided over by the general manager, at which the selling plans for the coming week should be discussed by buyers, advertising man, credit man, and superintendent. Here definite

understandings, without likelihood of future misunderstandings, could be reached, and the validity of every new idea or suggestion could be tried out under the fire of criticism from the entire group. Frankness here would not mean loss of dignity or power in any department, for the final decisions should rest with the general manager in all important matters. Time may be saved by this method as compared with individual conferences, and better co-operation assured.

General inspiration meetings.—Another valuable form of conference is of slightly different character. It is a meeting, say once a month, of all the salespeople, presided over by the store superintendent, the merchandise manager, or the general manager. Such meetings can be made productive of great value in arousing enthusiasm, emphasizing the right ideas concerning store practice, and in increasing teamwork in all departments. Short, brisk speeches, commonly called "ginger talks," are effective in conferences of this sort. Good feeling and enthusiasm should be the keynotes. Every salesman should feel after such a meeting that he is anxious to get back into the work and outdo all his former records. Speeches on business topics by outsiders who can give stirring addresses are of value. Traveling salesmen of much experience can often be prevailed upon to address such a meeting or at least a group of the salesmen who are to sell the lines in which he is interested. There is some danger of overdoing speech-making unless care is exercised; but there is nothing so effective in getting the salespeople to co-operate with each other as a lively, serious, enthusiastic meeting of all the store workers.

CHAPTER XIV

STANDARDS OF EFFICIENCY IN A RETAIL STORE

Standards in business.—After a store has been departmentized, and the function of each department and individual has been defined and described, there should follow an attempt to eliminate all wastes and leaks. This subject has been considered in a previous chapter. The next step is the setting-up of standards—standards of store construction, equipment, and of performance in every department. Successful experience has established a number of these standards; others remain to be discovered, for the reason that the matters involved have never been carefully studied. A knowledge of standards by managers and employes furnishes a guide and measure for the construction and work of the store. The standards, to a large extent, may be applied in any kind of store. For example, there is a standard amount of light and ventilation required by a store, depending only upon the character of goods and the number of persons that the store is to accommodate. Anything less than standard light and ventilation will prove injurious to business and to health anywhere.

Standards are not applicable to every phase of business, for the personality of individuals often figures too prominently; but it seems likely that there is opportunity for setting up many more standards than those now in existence in the average business.

Here is a field of opportunity offering an almost un-

limited number of problems demanding solution. Make the store your laboratory. Study every item of its construction, its goods, and its service with reference to the degree of its success in trade-getting. Carefully determine, by repeated trials and by finding out the experiences of others, whether every practice, piece of equipment, or operation is as successful as it might be. Keep your mind open to every suggestion of improvement and to criticism, and be slow to draw conclusions. Remember that in scientific laboratories where the natural sciences are studied, in an investigation sometimes hundreds of trials or experiments are needed to prove, or to disprove, a single point. Such painstaking investigation, with the conclusions to be drawn therefrom, will be highly valuable when applied to business.

In view of the extreme youth of the scientific study of retailing, what is offered here can hardly be called more than tentative standards, and in some cases merely suggestions. Verify what is stated here, and decide whether it is true or untrue for the business with which you are familiar.

Standards of construction.—Consider the building first. Store fronts are rapidly becoming standardized as to construction, window space, doorways, and proportions of the various parts. Fire insurance companies are forcing merchants to adopt standard fire-proof construction. Experience seems to show that the height of the room should not be less than fourteen feet in the clear on the ground floor, and not less than twelve feet on other floors; a ten-foot basement may possibly be permissible, however. High ceilings provide increased daylight, purer air, and give the impression of spaciousness.

Floor.—The first choice for flooring is maple; the second, oak. Parquetry floors are most suitable for some departments. It has been found that no color is so suitable for floor coverings, carpets, and rugs as a medium shade of green. Steel ceilings are favored everywhere, and the most

popular color for ceilings seems to be either white or a light tint of green.

Stairways.—Stairways should have treads of certain height and width. Upon these points there is disagreement, although there should be none. Some store architects advocate treads six inches high and twelve inches wide. Others say that a tread seven inches high is better. This may seem a small point, but it is really one that is very important. The store manager wants a stairway that the majority of people can walk up and down with the least expenditure of energy and with the least feeling of discomfort. It should be possible to determine this matter by test. The best location for stairways, as well as for departments, may, perhaps not be standardized so easily. Some people maintain that the stairway leading to the second floor should be placed at the far end of the store at some distance from the main entrance. If an elevator is used, it should ordinarily be located by the side of the stairway. Many customers who would otherwise use the elevator will walk up or down if the elevator happens to be busy and if the stairway is directly before them.

Fixtures.—Counters and shelving should have standard heights and widths corresponding to the uses to which they are to be put. What is most convenient should be considered standard. For example, dress goods need a counter thirty-two inches high and twenty-six inches wide. A counter for domestics needs to be thirty-six inches wide, while a glove counter needs to be only half as wide. Standard fixtures should be simple in outline, rich in appearance, well kept, and free from all beading or other dust-catching and dirt-gathering decorations.

Heat.—A store should maintain a temperature of about 65° F. uniformly, with a relative humidity of from 50 to 75 per cent. By humidity is meant that amount of moisture in the air. All air contains some moisture. But when there is

too little or too much, the human body suffers and the person breathing it becomes tired, cross, careless, and sleepy. This point is very important, and, whenever a heating system is being installed in a store, provision should be made for getting air not only of the right temperature but also with sufficient moisture.

Light.—The lighting should be adequate, artistic, and economical. White is the standard color. Artificial lamps should be placed so that there may be no shadows. The light should be steady and even. For daytime, there is no light that is so suitable as daylight. A store should be constructed so as to have plenty of it. Any store that is so dark on an average day that customers must strain their eyes to see the common qualities of the goods for sale, is too dark. There is a scientific test for the lighting of a store, but it is somewhat difficult to apply, and, for ordinary purposes, the simple test of eye-feeling is sufficient. Standard light is such as to permit a person with average eyes to study the goods or to read newspaper print without eye strain.

Air.—Every individual in a room needs about fifty cubic feet of fresh air per minute. That amount multiplied by the average number of persons in the store during the day is the amount that must be supplied and passed out of the building. Many merchants wonder why their salesmen are so listless, unambitious, and lacking in initiative. It is almost always the case that a store where this is true is one that is not ventilated, lighted, or heated properly. Usually the air is not fresh and is too dry, especially in the winter time.

Cleaning.—Standards may be established for removing dirt and dust. The vacuum cleaner is a coming necessity; but in the meantime the sweepers need to be taught the best way in which their work may be done; and the dusting needs similar study. There is no question that the feather

duster will pass away as a result of careful study of cleaning methods.

Score card for stores.—The state of North Dakota has a sanitary inspection law requiring regular inspection of all kinds of stores dealing in foodstuffs. The inspectors employ a system of scoring that may be of interest, since the use of the score card clearly implies the application of standards not only to details but to the whole store.

NORTH DAKOTA'S SCORE CARD FOR GROCERY STORES

	Points perfect
Ventilation and light	10
Floors, walls, fixtures, screens, etc.	10
Refrigerator	10
Butter and cheese	10
Bulk goods, vegetables, etc.	10
Display of goods in store	10
Sidewalk display	10
Cellar and cellar stock	10
Back room and yard	10
Personal cleanliness	10
Total, perfect store	100

The inspectors judge each item separately, and the reports of the use of the system state that scarcely any store scores higher than a total of 90. Since the standards in this case are mainly sanitary, the grocer whose store scores from 90 to 100 points gets the best kind of results from advertising his rating. The public is beginning to be interested in these matters, and no store can afford to lag behind the times. The list of items on which North Dakota stores are judged is suggestive of what every storekeeper should attend to, whether the law forces him to do so or not. It

will probably not be long before most states will regularly inspect all retail stores, and will demand the conditions that progressive merchants now find profitable in their business.

Standards in buying and receiving goods.—Buying offers some opportunities for standardization, especially as to stock to be kept on hand, prices that can be paid if goods are to sell at a certain figure, the discount expected, and so on. There should be standard ways devised for receiving goods, unpacking, disposal of waste, checking of goods, and storing. Stock-keeping standards will result not only in accurate information as to amounts on hand, but also as to the best ways of keeping goods so that they will not depreciate. There is no limit to the number of scientific studies that can be made in stock keeping, for there are best ways of doing everything, even to replacing a pin in a bolt of ribbon.

Methods of inspecting, wrapping, and change-making are subject to considerable improvement in respect to economy of time, of energy, and of expense. Packages should be wrapped in a certain way; the wrapper should use paper of just sufficient size and twine of the right length. Paper of the right quality should be selected; in this, popular fancy governs to some degree. For example, it has been proved that most people prefer a heavy wrapping paper and a heavy string, since these give a feeling of security. A lighter paper and twine might be stronger, but they really give less satisfaction. Some who have thoroughly studied the wrapping paper problem maintain that it is more economical to use paper already cut to convenient dimensions than to use paper taken directly from a roll. A rule can be made in regard to the use of paper of given sizes or of paper bags of various sizes, so that the wrapper will use the most economical size for each article to be wrapped. The wrapping itself can be reduced to a standard system. Everyone has seen great differences in ability and speed

in wrapping. The methods of the best wrapper in the store should be taught to everyone who must do the work. Waiting for change is somewhat disagreeable to many people. Cashiers and salesmen should be trained in methods of making change accurately in the shortest possible time.

Standards for salesmen.—In the selling of goods there is great need of individuality and originality, but there are a number of things, even in selling, that may be done in certain ways that are always better than other ways. For example, orderly arrangement of goods on shelves or in cases so that the salesmen can turn to just what he wants without a moment's hesitation is a first requisite. The methods of displaying goods can perhaps not be standardized, but there will surely be found standard ways that are applicable under given conditions, as, for example, methods that bring the articles to the attention of the customer in the most favorable light, and involve some response or action on the part of the customer. Several stores have already standardized the methods of closing the sale, what to say to suggest the buying of further goods, and how to get information as to whether the sale shall be for cash or on account. They have also standardized methods for making out sales checks or slips. In large stores new employes are carefully drilled in this matter to prevent mistakes. Every possible kind of sale is studied as a separate problem, and the salesman is not permitted to take his place behind the counter until he can make out correctly the proper slip for every possible kind of sale. The number of different classes of sales varies with the selling policy of the store; in some stores there are as high as twenty, while in others there may not be more than eight or ten. A strictly cash store might have five or six.

Kinds of sales.—The following is a suggestive list of the different kinds of sales for which slips must be made

out if a store sells both for credit and for cash, and if it stands ready to make exchanges if goods are not satisfactory:

1. Cash sale—customer takes goods with him.
2. Cash sale—store to deliver goods.
3. Charge sale—customer takes goods with him.
4. Charge sale—store to deliver goods.
5. C. O. D. sale.
6. Exchange at counter. Customer takes goods with him.
7. Exchange for goods of higher value. Customer has balance charged—store to deliver.
8. Part cash, balance C. O. D. sale.
9. Part charge, balance C. O. D. sale.
10. Part charge, part cash sale.
11. Part charge, part cash, part C. O. D. sale.
12. Cash sale to customer with transfer purchase ticket.
13. Cash sale to customer with transfer purchase ticket. Salesman receives cash from customer for several department purchases.
14. Cash or charge sale, goods to be sent to two or more different addresses.
15. Charge sale to daughter in name of father.
16. Part cash, customer leaves goods; will call next day with the balance and is to take goods then.

A store whose system demands the careful use of sales slips can do no better than to make out a set of typical problems involving different kinds of sales, and drill all new members of the force and old salesmen as well who make mistakes frequently. Errors in making out sales slips can be avoided by such instruction. Most metropolitan stores teach the methods of making out sales slips by regular classroom methods, followed by thorough examination before permitting new salesmen to make sales.

Average time per sale.—Some merchants have sought to increase the efficiency of their salesmen by setting average times for making sales. For example, a men's clothing store reports that its standards of selling time are as follows:

To sell a suit of clothes..... 30 minutes
To sell a shirt ..... 5 minutes
To sell a collar ..... 30 seconds

It is possible that these averages may be suggestive of what can be done in other lines. But there is, of course, considerable danger in this sort of standard, due to possible rushing of sales where the customer is not in the mood to be rushed. This mention of standard time is intended only as a suggestion. What does need attention, however, is the matter of goods arrangement. There should be no unnecessary motions or loss of time in getting out the goods that the customer wants if the store has them.

Standard conditions for employes.—The manager of a store can increase the efficiency of his salespeople in ways that will bring their hearty co-operation, since the benefits are theirs as much as the store's. We have already shown the relation of good health to salesmanship. A manager of a store can do much to improve the health and good spirits of his employes. As already suggested, this means, first of all, supplying them with plenty of fresh air of the right temperature and humidity, good light, and suitable equipment to work with. These things pay. The providing of good ventilation has often resulted in greatly reducing absences caused by indisposition. Improper ventilation of a room, when it does not actually cause sickness, produces lassitude, lack of ambition, and impatience; and sales that require quick, keen wit will be lost.

The manager has a right to demand that the salesmen come to the store with a full supply of energy for the day. Keeping late hours is a sure way of reducing this energy.

The average person must have eight hours of sleep every night to be at his best, year in and year out. Hence the employer does have something to say, indirectly at least, regarding how his employes spend their leisure.

Store service to employes to improve selling.—Besides providing these general conditions of good health, a merchant can do even more to increase the efficiency of his store. Successful establishments find that it pays to establish rest rooms, to send employes home if they are not in the best of physical health, and to establish a lunch room if the number who will take advantage of it is large enough, where good, nourishing mid-day lunches are sold at cost of preparation.

It pays for a store to urge its employes to take outdoor exercise every day. Some stores encourage the organizations among both men and women for various athletic sports, cross-country walks, etc. Outdoor exercises, if moderate, store up energy for the trying work of the store.

Every store employing many salespeople should have a nurse in attendance who can counsel and give treatment for simple ailments, such as colds, headache, toothache, and who can examine eyes, ears, nose, and throat in case of any suspected trouble. A trained nurse will be able to detect symptoms of diseases, such as anemia, nervous disorders, and consumption; and as a consequence, will be able to give the advice in time which can save the salesman great expense, possibly life, and likewise save to the store a valuable assistant whom it has taken a long time to train.

In addition to these duties, a nurse or physician can give health talks and advice to employes, either individually or in groups, on matters of everyday living, such as foods, dress, sleep, recreation, etc. The salary of the average saleswoman is not high. If she is supporting herself, it is highly

essential that her expenditures for the necessities of life should be made as wisely as possible. But right here is where hundreds of young women show the least common-sense. Through ignorance or lack of training in these simple matters, the gravest mistakes are frequently made. For example, if unchecked, many otherwise sensible girls will spend five dollars for a pair of shoes and only fifty cents for a suit of underwear with which to meet the winter weather. Many have expended dollars for ornaments, and have tried to recoup by living on cheap lunches. This is a serious problem, and one that demands the attention of all business people. In the first place, no one should be required to work for less wages than will purchase the bare necessities of life. In the next place, every young man and woman should be taught how to make the best use of his or her income. If the health of the body cannot be kept up, there will never be any hope for the inefficient to become efficient. The body must be suitably fed and clothed before the mind can learn either from experience or from study. A person improperly clothed or fed cannot see, hear, or understand well. If such a person has any energy at all, it is of a nervous type that will wreck the body sooner or later.

Some stores have added clothing driers to their equipment. The clothing drier is a small room through which a dry, hot current of air is directed. Persons coming to the store in damp or wet clothes are taken to this room where the outer garments may be removed and hung up, while the other clothes are dried quickly by simply standing in the dry air current.

Another valuable idea for improving the efficiency of the sales force is the periodical examination of the salespeople's feet by a professional chiropodist who gives advice on the purchase of shoes and gives needed treatment to the feet. To salespeople who must be on their feet most of the time,

this is a very valuable service. Comfort and cheerfulness are increased, and selling ability is strengthened. It is profitable for any store manager to look after the physical welfare of his employes. He wants them to be in the best of health. They are happier and better citizens as well as better salesmen in consequence.

Education for efficiency.—The demands of modern business are without end. Often we hear that it takes a lifetime to learn what ought to be known about even one department. Experience is slow, uncertain, and expensive. It needs to be supplemented by direct education, which is nothing more or less than an attempt to short-circuit the learning process which naturally goes on with experience. Education has no other purpose than to fit for life. A complete course of study fits for complete living. Complete living means ability to earn a decent living, to support and care for a family, to be a good citizen, and to enjoy life and to contribute to the enjoyment of others. The efficiency of any school system can be judged by anyone who will note how far its course of study fits for complete living. A discussion of the essentials of such a course would be out of place here, but we must note that commercial life demands commercial education. Progress has been so extremely rapid in business that but few public schools have kept up with it in supplying the kind of education needed by those going into business. Business men sometimes criticize the schools, but frequently their criticisms are not constructive; for the business man, himself, cannot see how the schools can adapt themselves to commercial needs. Often he falls back upon recommendations to emphasize what he calls the essentials—reading, writing, arithmetic, and spelling. The time when such a course of study can be considered sufficient is forever past. Experience has shown that the great masses who study these subjects and no others, no matter how thoroughly, cannot master even

these. To make spelling and writing worth while in the schools from a commercial standpoint, it is necessary to put in some form of business practice that will bring spelling and writing into use. Few can learn to spell so that they can apply their knowledge in after life without mistake by merely studying the arrangement of letters in a list of words. The new education which is in the process of finding itself, and which will satisfy, after its machinery is fully understood and in working order, will include shop work for the mechanical student, field work for the agricultural student, domestic science for the homemaker, and business practice for the business man or woman. Reading, writing, arithmetic, and spelling will be studied, but in connection with their practical applications. This is the only way that the so-called fundamentals can be learned practically. Business people must urge these new changes in the course of study. A large percentage of the graduates of the public schools go into business, and business should not be neglected in school courses of study.

Practical training in selling routine.—In the meantime, for the benefit of those already in business, some sort of supplementary education is beneficial if not absolutely necessary. In the first place, every salesman needs to be carefully taught the routine work of his department; and of this routine the making out of sales slips is an important item. The manager of experience should know in advance what errors a new man is likely to make. Instruction should be given covering these points. The following list of salesmen's excuses for mistakes is suggestive of what can be done in the way of instruction that has for its purpose the doing away with errors:

"My pencil slipped."
"My hand slipped."
"I didn't read it right."
"I looked at the wrong number."

"I got the figures turned around."
"I spelled it wrong."
"I gave the wrong price."
"I cut off too much (or too little)."

Forewarned is forearmed. The salesman can be taught what to do, so that any of these or other mistakes will be inexcusable. He can be shown how to do things in standard ways so that errors become unlikely. Much can be done by fitting employes into the places that they can fill the best. An unsuccessful salesman in one department may be shifted to another department often with resulting success.

Practical education in theory.—Besides being instructed in routine methods such as those that have been described, store employes, especially salesmen, need to be instructed so that they may know something of the great system of business, something of the fundamental principles of economics and of psychology—the sciences which underlie modern business. Commercial geography, especially as related to the goods handled, and the principles of selling and their practice need to be learned by every salesman.

Judging salesmen.—In judging a salesman, there are several things that the manager must bear in mind; it is not only the ability as shown during the past week or month and measured by the number of sales made during that period that should be considered. A number of conditions might have affected the record very materially. Some of these conditions may always remain unknown to the manager. Because a salesman's past record may not accurately measure his efficiency, therefore the manager needs to consider the salesman not only in the light of his past achievements but also in the light of his promise for the future. The salesman needs to be considered both for the present and for the future in relation to his employer, to the store, to the other employes, and to the customer. Many factors must be kept in mind by the employer; and

here is the difficulty. Human minds, even of employers, naturally think of but one thing at a time, and in judging of such a complex matter as a salesman's ability and value to the store, it is difficult not to overlook a number of very important details at the time of making the decision. Many

SCORE CARD FOR RETAIL SALESMEN

	Perfect score	Actual score	Actual score 1 yr. later
I. PHYSICAL. (Total 20 points)			
a. Health	10		
b. Appearance			
1. Bearing	2		
2. Clothing	2		
3. Cleanliness	2		
c. Voice	2		
d. Speech	2		
II. INTELLECTUAL. (Total 27 points)			
a. Knowledge of English	4		
b. General education	4		
c. Technical knowledge			
1. Knowledge of the house (organization, policies, history, competitors)	4		
2. Knowledge of the goods	7		
3. Knowledge of people	8		
III. PERSONALITY. (Total 23 points)			
a. Inclination to business	1		
b. Ambition	2		
c. Self-confidence	2		
d. Determination	1		
e. Honesty	2		
f. Agreeableness	1		
g. Courtesy and manners	5		
h. Purity	1		
i. Willingness to learn	1		
j. Willingness to co-operate	1		
k. Promptness	1		
l. Frankness	1		
m. Imagination	2		
n. Enthusiasm and love of selling	2		
IV. SALESMANSHIP. (Total 30 points)			
a. Care of stock and department	2		
b. Getting attention	3		
c. Describing and showing goods	3		
d. Meeting objections	3		
e. Persistence	5		
f. Convincing the customer	4		
g. Closing the sale	5		
h. Making customer permanent	5		
Total	100		

PLATE V.

employers, therefore, keep records of their employes, to which are added observations from time to time, but this record is more often simply of shortcomings than of good points. A better judgment can be made by resorting to the use of a complete list of essential qualities and characteristics and by scoring these on some fair basis. The use of a score card is not new. It is already used in dozens of different ways, including the judging of fitness of teachers, of mechanics, and, in some instances, of salesmen. A copy of a score card for salesmen is given in Plate V. It will be seen that it summarizes the qualities that we have considered in detail. It places before the eye a map or chart of what an ideal salesman should be and what he should possess. Each quality has been given more or less arbitrary value. Some will think that the value assigned to certain qualities is too low; others may think certain ones too high. It is not intended that the illustrated score card shall serve for anything but a suggestion.

To score a salesman, one should consider his qualities as compared with the ideal; the ideal is "as good as it can be in anyone." In proportion to your best judgment, give for each quality such proportion of the "perfect" score for that quality as you think the salesmen deserves. Few will be found who will not receive some perfect points, but few will score higher than 95 points in total. A 70 to 80 point salesman may be considered fair. A salesman receiving from 80 to 90 should be called good; and one getting above 90 is excellent. The 100 point salesman is the ideal.

Use of the score card for salesmen.—Not only is the score card for salesmen a means for a fair estimate of salesmen by the employer, but it is also an outline which should be of help to the individual salesman. It will help him to discover his own weak points and will serve as a guide to what he should do in improving himself. Each quality can be built up systematically, and the salesman can

make from the list such selections as he thinks will need immediate attention. It will make him more critical of himself, for one cannot sit down and read the list through thoughtfully without feeling the conviction that he is weak in desirable qualities to which he had never given any particular attention before. It is quite likely that a score card in some form or other will be generally used in the future, especially in large stores.

CHAPTER XV

STORE POLICY

Importance of store policy.—In the majority of the stores of any large city there is not, nor can there be, any great difference in the prices. What then, makes the difference in the amount of trade in the various stores? The answer is the store's policy or service to customers. Competition in modern retailing is no longer so much a matter of prices as it is a matter of supplying the customer with the various items of service, such as expert salesmanship, delivery, credit, etc. The store's policy determines its future growth.

It has already been noted that a policy of honesty is absolutely essential, but this is not enough. The manner in which goods are sold, cared for, inspected, wrapped, and delivered, is important to most customers.

One effective means of determining the results of the policy of a store upon its customers is for a salesman or manager of a store to stand near the door and watch the expressions and moods of the customers as they are leaving the building. If the customers appear to be well satisfied and pleased with their visit, one may be sure that the store's policy is on the right track. If there is disgust or dissatisfaction depicted in their faces, that is sufficient evidence that there should be a change in the policy of the store.

Weakness of "Get all you can."—There is a great deal of difference in the policies of selling among the various retail stores. The motto of some seems to be "get all you

can" or, expressed in another way, "charge all the traffic will bear." Such a policy does not attach to itself any great amount of public satisfaction. Trade that comes to a store with this policy comes there because it cannot get the same goods elsewhere. With the slightest amount of competition in the field, a large percentage of the customers of such a store would transfer their trade elsewhere.

Sell at fair profit.—Another policy is to sell goods for a fair profit. This represents, perhaps, the best standard of retail service. No man in any industry or occupation should be expected to give his service without a fair and just return, that return in great measure being determined by the returns received by other people engaged in the same work. The retailer performs a real service to society and, therefore, deserves a fair return for his work. A fair profit, then, is his share of the social distribution of wealth. To be sure, there will be differences in opinion as to what constitutes a fair profit. With good reason it may be stated that in some businesses a fair profit might mean as high as 50 per cent. or in others it might mean as low as 2 per cent. or 3 per cent. upon the capital investment. What is fair depends very largely upon the conditions surrounding the business, especially the risk of losses. It can be seen that if there is a probability of losses that may in a short time wipe out any accumulated surplus, it becomes necessary to charge such higher prices for the goods sold as to cover these expected losses.

"Sell as cheaply as you can."—"Sell as cheaply as you can" is a third policy, which may be very attractive to customers; but when carried out by merchants who are not fully aware of the possibilities of losses, or who do not carefully compute all of the costs that enter into their business, it is likely to end in destruction of the business itself. To sell for a fair profit may well mean to sell as cheaply as one can, but, in the ordinary sense, selling as

cheaply as one can usually means to turn the goods at a very narrow margin above cost. Merchants do not do this usually unless they wish to undersell other dealers to such an extent as to draw their trade. Something can be said for this policy as an advertising feature, but, when it is carried out, any losses that may occur should be charged to advertising expense, and must, necessarily, be made up in the sale of goods in other lines or at some other time.

Quality of goods.—The policy of the house determines what qualities of goods shall be handled, and the people of the community quickly come to understand what this policy is. There is absolutely no argument for or against handling goods of any particular grade or quality, except the policy of the house in its attempt to reach certain classes of trade. If it wishes the trade of the people whose standards of living are high, its goods must necessarily be of high quality; but, on the other hand, if the store is located where the great majority of the people have a low income, and must necessarily have relatively low standards of living, the quality of goods sold must be correspondingly low; but whatever the quality selected, it should be based upon a careful and predetermined policy, after a thorough study of the local conditions with respect to the probable customers that the store can draw upon.

Trade-marked and nationally advertised goods.—The question as to whether a store should handle trade-marked and nationally advertised goods or not is a vital one. There are many arguments for the handling of goods of this sort. In the first place, some of these goods are well known to everybody. The name of the brand is at the tip of the tongue every time a want for such an article is felt. It is obvious that a store, to serve its customers, must carry such goods. There may be substitutes equally good, and yielding greater profits per sale for the merchant, yet the ease of selling the well-known brand and the amounts sold more

than make up for the possible difference in the profit on each sale. In the second place, national advertisers try to create sentiment among consumers against substitution and in favor of their products. This advertising, which the manufacturer calls "educational," is likely to be effective among those classes of consumers who are constant readers of papers and magazines. There will, in consequence, be a demand for goods, and this demand the retailer can take advantage of. A retailer can even go further than merely supplying the demands already created; he can take advantage of the national advertising in his locality by advertising that he carries the advertised goods. Many dealers have shrewdly used the advertising material of manufacturers to their own credit and profit. Many stores have found it profitable to feature nationally advertised goods in their newspaper space. Others have done as a Wisconsin druggist did, who drew considerable trade by making up a window display of advertising pages clipped from widely known magazines of recent publication, each page containing the advertising of some toilet article, soap, perfume, safety razor, etc. In the center of this display he placed a large card with the statement, "You Can Buy These Goods Here."

However, there are certain disadvantages to the policy of handling nationally advertised goods, which should be clearly stated. In the first place, the nationally advertised goods usually cost the retailer more and, therefore, in a competitive market must be sold at a narrower margin of profit than non-advertised goods. Whether this higher cost is due to higher quality or to the expense of advertising, is immaterial at this point. So far as quality is concerned, the merchant should know what he is buying no matter what his market is. In the food stuffs, strict enforcement of the pure food laws will have just as certain effects in insuring quality as a trade-mark or much magazine advertising. It seems likely that it is only a question of time

when all necessities of life must be branded or labeled so as to show accurately what the contents or construction may be. If the merchant fails to use a good buyer's judgment, and handles goods which vary in quality, he will find that he will lose customers after every drop in the quality. If the buyer cannot guard against this, then there is an argument for advertised and trade-marked goods. But not in every instance is a large advertising appropriation and a well-known trade-mark a guaranty of constancy in quality. There are numerous instances of gradual reduction in qualities after a demand for an article has been well built up, although the manufacturer is the chief sufferer from such a condition.

Where the advertised or trade-marked goods are handled through the regular trade channels and sold to any dealer, there is not so much of a problem as when the manufacturer controls his own distribution and sells directly to the retailers. Frequently a retailer agrees to handle a manufacturer's article upon being assured that he will have the exclusive selling rights in the town. In other cases, the retailer may agree to act as agent for the article. In either case, the store ties itself to a distant concern that sometimes cares nothing for it beyond the trade that comes from it. Nearly every merchant of experience can cite instances in which the retailer expended much time, energy, and money in building up a local reputation for the goods placed with him by the manufacturer or his representative, only to have his account taken away from him because of some misunderstanding, or because the manufacturer believed that some other store would bring in a greater amount of trade. To be sure the fault is not always the manufacturer's when an account is taken away from a retailer; the retailer may be inefficient or tricky; but there are enough cases of manufacturers' failing to live up to their end of the agreement, to warrant calling attention to this matter.

The helps or assistance given by manufacturers vary in value greatly, on account of the varying ability of the manufacturers' advertising men to grasp the local situation and prepare for it. Though much of this material is excellent and very valuable to the retailer in pushing sales—better than most retailers have either the time or ability to prepare—still it aims at the sale of only a particular line of goods, and if the retailer does not use this material judiciously, he will find other departments in his store losing ground.

Manufacturers make a good deal of the "great wrong of substitution." When examined from a broad standpoint of social welfare, there is little to sustain their contention. Merchants must substitute for goods not obtainable. What wrong is there in substituting a good article that one has, for one that is not on hand, or even for one that is on hand, but which for some reason the merchant does not wish to push? To be sure, the national advertiser maintains that after he has created a demand for an article through his advertising, it is wrong for the retailer to take advantage of the market so created by supplying some other product. This is, no doubt, bad for the advertiser, but is it any more than an ordinary risk of business? He must hazard his chances of success with many forms of competition that will arise and this is but one of them. It is the business of the retailer to supply the demands of his customers in a way entirely satisfactory to them, and in a way that will yield the best profit to him. If a customer will not take a substitute or will not be as well satisfied with the substitute as with an article asked for, then the retailer will lose. That is the criterion of what is right and what is wrong in this economic field. From a social standpoint honest goods at fair prices, efficient service, and satisfied consumers are the things desired of business. In the long run, it makes little difference how these things are achieved. Trade-marks,

mottoes, slogans, and magazine advertising are only a means to this end. Some other means might serve just as well. Trade-marks and advertising are used by manufacturers simply because they hope to profit thereby. The retailer is amply justified in applying the same test in his own business regarding any proposition made to him to share in the plans of the larger dealer; viz., will it pay him?

Most retailers can handle some widely advertised and trade-marked goods to advantage, but they should not forget that there is a real problem in connection therewith. Some retailers in the larger cities have found it profitable to handle only such goods as they may have the opportunity of putting their own brand names upon. There is one situation, however, in which nationally advertised and trade-marked goods undoubtedly offer the best opportunities to the retailer, and that is in the small town where the local brand or name of the dealer stamped on the goods would not be nearly so effective in selling them, as the nationally known trade-mark of the manufacturer. Manufacturers and other large distributors who use national advertising are rapidly coming to see the retail merchant's point of view, and are fitting their policies to the needs of the retailer. The real interests of the retailer and the manufacturer are the same and, to the extent that both realize this fact, it will be possible for them to co-operate to their common advantage.

One price to all.—Each store must decide for itself what policy it shall follow regarding the prices it shall charge—whether it shall have a sliding scale or one price to all. It may be said that the tendency is growing in all directions to adopt the one price policy. It has many advantages, and is, in fact, absolutely essential in large department stores. A one price policy raises the standards of retailing. It increases the faith of the customer in the house; it places competition upon a higher plane. The one price house is tempted from time to time, and tempted sorely, to depart

from its rule. This temptation, unless it is firmly resisted, is the great obstacle to the success of the policy; for if any customer buys his goods at any time at less than the stated regular price he loses his confidence in the house at that point, and the efficacy of its advertising is weakened thereafter. It may be stated as a rule that if the one price policy is adopted, to be successful it must be followed to the letter and not departed from under any circumstances.

Getting new business.—There are standards in retailing that have to do with the methods of getting new business; they constitute a part of the so-called retail store ethics. A few years ago, comparatvely, no storekeeper went beyond the doors of his store to solicit trade in any manner. Later, modern advertising was introduced. At first all advertising was stiff and formal, being, on the whole, but little more than general notices to the effect that certain lines of goods were for sale. More recently the advertising of retail stores has adopted the style and tenor of "news." This is now considered to be the best as well as the most effective kind of advertising.

There is still an open question as to whether the retail store may not take one step further and go out to solicit trade from house to house. There are circumstances under which this would result in injury to the business, but on the whole the stores that have attempted it are succeeding. As an example of successful personal solicitation, the furniture houses in many cities have carried out a well-defined policy of selling house-furnishings of various kinds by personal solicitation, especially to such persons as have just moved from one home to another within the city, or have come to the city from some other town. These houses have, as a first step, carefully devised systems of getting information regarding the people who are moving, or who have just moved, usually with the co-operation of men who make a specialty of moving furniture and household goods.

Other retail stores which have not adopted the policy of selling by house to house solicitation, send representatives to visit all of the homes in the community, simply to advertise the house, to call attention to the goods that the store has for sale, and to invite the people to inspect them.

Some merchants, especially grocers, have found the telephone to be effective in solicitation. Telephone order boards, where one or more operators call up the customers of the store each morning and make inquiries concerning their needs for the day are found in many places; this method of solicitation could be advantageously used in many other stores.

Meeting competition.—What policy should be adopted in meeting competition is another important point for a store to decide. The most successful merchants keep close watch of competition in their communities; but they say nothing in public about competition. "Knocking" is absolutely proscribed. It is a recognized psychological fact that if one dealer begins to find fault with others, the people who hear him have their attention called to his competitors, and, in many cases, they have their curiosity and even interest aroused to the extent of wishing to see what it is that the competitor has to offer; in other words, they resolve to give the competitor a trial. There is a sensible saying: "If your competitor talks about you, put him on the pay-roll; *never mind what he says, so long as he talks.*"

Business courtesy.—After the fundamental policies of quality of goods to be handled, prices to be charged, methods of getting business, etc., are adopted, there are still other policies to be considered, which refer more directly to the manner in which the business is to be conducted, as between the house and its patrons. The chief of these policies has to do with the degree of courtesy shown by the employes of the store to the customers. We have

already spoken of the necessity of treating visitors who come to the store humanly and decently, as a part of good salesmanship. Here we need to emphasize courtesy as a valuable store policy to be followed not only by the salesmen, but also by the elevator boys, cashiers, inspectors, credit man, janitor, delivery man, and everyone else connected with the store in any way.

The average customer is suited best if met at the door immediately upon entering with a polite salutation and inquiry as to the particular department or article in which she is interested. This inquiry needs to be made with appropriate deference and respect to the customer, and solely with the purpose of being of assistance.

When the customer reaches the department where she desires to see goods, the salesman should come forward promptly, and no other store work of any kind should keep him a moment from doing this. No other work in a store is so important as serving the customer. The only case when the salesman may not come forward to place himself at the disposal of the customer is when he is already occupied in caring for other customers. But even then he should at least nod recognition to the newcomer, with a word of excuse and with an explanation that he will be ready to serve her in a few minutes.

If possible, he should give her something to do, some goods to examine or, in some departments, she may be offered a chair so that she may be seated. The main point is to get her to feel at home, to feel that her presence is wanted, and that each one in the store will gladly do all he can for her.

Store democracy.—Store employes need to be democratic, sensible, and never snobbish. In many stores there are employes of various ranks who adjust their attitude to the appearance of the customer. Well dressed, rich-looking prideful people receive altogether more than their share of

the deference and respect of the store's employes. Not that these classes of people should not receive attention, but careful attention and courteous treatment should be accorded to every store visitor regardless of appearance of wealth and class. What should *not* occur is well illustrated by the following experience in a store:

A woman dressed in plain garments, of slightly out-of-date fashion, and somewhat worn appearance, waited patiently for a saleswoman in the coat department to finish with a customer who had preceded her. Finally the saleswoman came forward and made the usual inquiries of the customer. In the meantime the saleswoman had "sized her up" from head to foot. Suppressing a yawn, she remarked, "I suppose you want something cheap," and turned on her heel to bring out a cheap coat to show. The customer, who was really a cultured woman of considerable means, shocked at the rudeness of the saleswoman, turned and walked out, transferring a sale of some value, together with her future trade, to a rival store. Considerable trade is lost to every store because of rudeness of this kind.

Treatment of customers who do not buy.—Some salesmen apparently do not know how to act toward customers if a sale is not made. A customer who had failed to get what she wanted in one store stated that because she insisted on not purchasing a substitute for the article she wanted, she was made to feel like "an ignoramus and a sneak." This is a strong expression, but it does in some degree represent how the feelings of customers may be ruffled by untactful store employes when a sale is not made. The store loses not only one sale, but also the customer's future trade, and possibly the trade of the customer's friends.

Telephone courtesy.—Every store needs to pay special attention to its telephone calls. In no other phase of the store's activities does courtesy pay better, and in no other

activity is its lack so easily noticed. Many whose voices are rough and whose speech is uncouth are misunderstood and misinterpreted over the phone. The roughness or other peculiarity in voice or speech is taken to mean discourtesy, when the face and manner of the person speaking would disprove the intention entirely. Everyone who answers telephone calls in a business place should be thoroughly schooled in telephone courtesy. All brusqueness, curt expressions, roughness of voice, or snappishness in speech should be eliminated entirely. Telephoning is a fine art, and few can do it satisfactorily, not because it is difficult but because of failure to imagine what the effects of the sound of the voice or the speech will be on the auditor when it is not possible to modify the effect of the voice and speech by facial expression.

The answer at the telephone.—When the telephone bell rings, the tone of voice of the clerk who answers the call must be taken into account. A dull, machine-like droning answer is even worse than a slovenly, heedless clerk back of a counter. The merchant who would keep such a clerk could hardly be found, and yet the best merchants sometimes do not give enough consideration to the way in which telephone calls are answered.

There is scarcely anything that attracts more good will to a house than a bright, vivacious, cheery voice over the telephone. A clear enunciation, a tone that is optimistic and wide awake, a diction that denotes friendliness rather than the too frequent "Why do you disturb me?" attitude —these are better assets than mahogany office chairs and costly bronze doors.

One of the worst offenses against telephone courtesy is the common custom of answering a telephone call by saying "Hello!" This is a waste of time, a source of annoyance, and an indication of lack of knowledge of modern business methods. When the telephone bell rings, the per-

son who picks up the receiver should immediately tell the name of the store. Thus: The bell rings. An employe puts the receiver to his ear, and says "This is The Fair," or "This is Brown & Smith's." The person at the other end of the wire can then immediately begin his message without any intervening interchange of meaningless "Hello's" or similar expressions. If the telephone call is answered by an employe of one department, he may say, "This is Brown & Smith's silk department."

Suit the individual customer.—Large stores usually develop mechanical ways of doing things. So far as material things are concerned, system is an advantage; but system is likely to be detrimental when it comes to handling customers. The small store succeeds because it caters to individuals: it serves them in the way in which they want to be served. Each individual's hobbies, and we all have them, need to be considered in the methods and policies of retailing. This is difficult, but no less necessary, in the larger store. The customer needs to be humored. The store service exists for that purpose. The "Smith way," the "Brown way," or the "Jones way" of doing business, if it means to make all customers go through the same system in getting goods, is wrong and unprofitable. System in a store needs to be effective, but should not intrude itself unduly upon the customer. His individuality must never be jolted so long as he does no wrong. The most successful store is the one that can adjust its selling methods most readily to the greatest number of individuals.

Treatment of brides.—There are certain classes of people that stores should make a special effort to reach and to please. One of the most important of these classes is the bride. Her wants and expressions of individuality should be met with the utmost delicacy, helpfulness, and courtesy. She is laying the foundation of a home. Where she receives excellent treatment at the start, she will likely

continue to trade for the years to come. The friendly help that a merchant or his expert salespeople can give to her in many ways, showing her how she can buy and utilize her purchases to the best advantage, will be remembered with thankfulness ever afterwards.

Treatment of children.—Another class with which a store must cultivate the friendliest of relations is the children. Only a few years will pass before they become the store's customers. If your store is in business then, it will need their trade, but the foundations of that trade are to be laid today. It is wise and profitable to treat the children well, answer their questions kindly, and keep them most tactfully from doing any mischief. Never discourage their coming. Get them to come, and to see what you have in your store. Their suggestions at home, at the table or elsewhere, when the family is considering new purchases, will often be followed.

Another class to reach.—One other class that it will be profitable for a store to make a special effort to reach is made up of the members of the community whose leisure is abundant, whose principal diversion is "visiting," and whose faculty for telling things is dominant. These persons can do a store immense damage by aiding in the circulation of uncomplimentary reports of its merchandise, prices, or service. Even if their hearers come to the store afterwards, they cannot help being in somewhat suspicious frames of mind, and may as a result construe evil where none really exists. On the other hand, if stories become current that a store's merchandise and its service are good, and the prices right, the store will be greatly benefited. Such advertising is better than printer's ink and it costs nothing more than carefulness in service.

Treatment of complaints.—Every store needs to have a well defined, wisely planned policy regarding the treatment of complaints. A few years ago it was customary to

consider a sale once made as closed, and complaints afterwards raised were not attended to. Modern merchandising under competitive conditions has forced merchants to change their policy upon this point, and quite rightly.

An article is never fully sold until it is consumed, although this idea may not be recognized in law. Practice has shown that a store serves its purpose best when it sells goods that give satisfaction in the using. To force dissatisfied customers to adhere to "a bargain" is bad selling.

Many stores have made great growth on the principle of "Money back if you want it," or "Satisfaction guaranteed." A few have gone still further, and declare it their policy to "Remember that the customer is always right" in his complaints. This is difficult under some circumstances, and the stores following this policy are imposed upon in a few cases, but in the long run this policy is bound to win. When a dissatisfied customer comes to the store with a complaint that the goods were defective, the service bad, or that the salesman did not tell the whole truth, the best policy demands that her story be given full credence at once by the complaint department, or, as it is better called, the adjustment department. The causes of the complaint are carefully traced, but the customer is satisfied whether the store loses or not, even if the customer is in the wrong.

One merchant shows the working of this principle by saying that a man entered his store to buy some yarn for his wife. She told him to get A—— yarn, but he forgot the name. When the salesman suggested Spanish yarn, he replied that he was quite sure that was what his wife had asked for. He had the yarn sent to his home. His wife found that it was not the brand she ordered, and promptly concluded that the error was caused by the store. She took the yarn back, and berated the salesman and adjustment clerk in no uncertain terms. These people, who knew the situation, were tactful in not antagonizing her further by

telling her the facts in the case. They simply made the exchange and apologized for the error. The merchant thought that when the husband heard of what had happened, he would be so grateful that the store could count on him ever afterward as a friend and customer—and he was right.

Treatment of angry customers.—How to treat angry customers or those who are intentionally rude to the salespeople is always a problem. The retailer and his assistants draw all the faultfinding that is due to unsatisfactory goods, because they are nearer to the public than the wholesaler or the manufacturer. This is as it should be. The people depend upon the merchant for the goods. They pay him the price he asks for his service. As an expert, it is his duty to buy from the wholesaler and the manufacturer only such goods as will satisfy his customers. When he fails to do this, the disapproval of his customers is merited. But there are some people who, through lack of training or proper sense of what is right, will enter a store and upon the slightest provocation abuse and insult the store's employes. The salesman's attitude under such trying circumstances is strongly indicative of his selling ability. No salesman should consider rudeness or insults as personal matters. The customer may talk to you personally, but you are acting for the firm, and what is said is really abuse or insult for the firm. When the salesman can assume this attitude he has taken a long step in the direction of successful selling. If anything can be done by the firm to allay the customer's anger, it should be done; otherwise the best thing for the salesman to do is to keep still, or to refer the matter to some one higher in authority than he. No possible good can come from "answering back." If the rude customer cools off, it may be entirely right to call his attention to his error, and to suggest that an apology is due. If this is done properly after the cus-

tomer has had his explosion, it is likely that he will see his mistake and be willing to make reparation, but not so if he has received opposition while angry. Insults are best met by dignity and silence.

General store service.—There are a number of things that a store can do for its customers, things which bring good will and future trade. It is a distinct service that is more or less appreciated to have the store heated, lighted, and ventilated so as to have it comfortable for the customers. Drinking water and toilet conveniences, waiting and rest rooms will draw people to your store, and sales will result from their visits. The elevators are service, in this sense, to customers. Free telephones and writing tables are other profitable accessories of a store if properly located in the building and well advertised.

Some large stores have found it profitable to conduct children's nurseries and play rooms, where the children may be "checked" and cared for while the mother is shopping in the store. Limitations must be placed upon this sort of service, for the privilege is sometimes abused. In the first place, it has been found necessary to make a rule to take no children in the nursery under six months of age. Secondly, the children can usually be left in the nursery for only one hour. The mother must leave her name and address with the persons in charge, and also state what departments of the store she will visit. If she has not returned at the end of the hour, an attendant looks her up and reports that the time has expired. For older children, of ages from two to six, the play room has proved a strong business feature, for the reason that articles like those used by the children in their play are often sold to the mother after she learns how interested a child has become in them. Lunch rooms, where meals or lunches are served at moderate expense, are not only a store service but are a profitable investment for many stores.

Special store service.—Whatever else may be included in the policy of a store towards customers, it is clear that the selling should be as expert as possible. Salesmen should know their goods so that they may be able to give expert information and advice to customers. Some stores have found it exceedingly profitable to have their salespeople make a point of instructing the customers in the uses of the goods they purchase. One store, at least, employs a so-called "Style Adviser"— a person whose entire time is at the disposal of customers who desire advice upon matters of style as applicable to themselves. This service is given without charge and without placing the customer under any obligation to make purchases. The salesmen in every retail business can specialize on their goods and build up a reputation for expert ability in giving good advice, no matter what their line may be.

Delivery service.—All customers like promptness. The following remark is common: "I like to trade at Blank's because I get waited on right away, and because I know that the goods I order will be delivered in time for me to use them as I have planned." This means careful attention to orders, systematic inspection and wrapping, and prompt, careful delivery. In these matters, the policy of the house is made very plain to the public. A package well wrapped, labeled in a simple, legible manner, and delivered by business-like delivery men is an external and easily understood evidence of the way in which the store wants to do business. It is quite likely that most stores do not look after their delivering carefully enough. Often the delivery man is the only representative of the store that the householder meets. If he is lazy, slovenly in appearance, and lacking in promptness and tact, the impression made is not good. The expert deliveryman, be he old or young, is quick, courteous, well-kept, full of business vim, careful, and painstaking. His greatest anxiety is to get the goods to the

customer's home in the best possible condition, and to deliver them in such manner as to suit everybody. His mind needs to be fixed upon every detail of his work, or he will fail. A good deliveryman is not appreciated as much as he should be by store managers. The appearance of his horse and wagon or automobile is important. No merchant can afford to lose the advertising that comes through having a prosperous looking delivery outfit.

CHAPTER XVI

THE COST OF SELLING

Interest in cost accounting.—Men who are in a position to know retail business conditions over wide areas, frequently claim that only a few storekeepers, the country over, figure the cost of the merchandise sold in any adequate way. It seems to be usual to neglect, or to omit, such items as rent when the building is owned, interest on the investment, salary of the manager, and wages of members of the family who assist in the store. As a progressive step in the campaign for efficiency, there is coming to be an insistent demand to know just what it costs in every department to sell the goods. This demand is not only from the owners and managers of retail stores, but the same demand also comes from bankers, credit men, and even the government. Bankers want to know if their customers are conducting their businesses on safe lines. Credit men base their judgments more and more upon evidences of efficient management and economical methods. The government, in theory, should tax a business like an individual in proportion to its ability to pay, but ability to pay cannot be determined without standards of the cost of running a business, and standards of what a business can do.

A bankers' association submitted to the National Credit Men's Association a set of questions by means of which they hoped to get information concerning the majority of

ordinary business establishments. The questions were as follows:

1. What is a safe percentage for gross profit?
2. What is a fair average percentage for expense of doing business?
3. What is a fair rate of depreciation?

The National Credit Men's Association had no data upon which to base an authoritative reply. There is certainly need for careful study of these matters.

What is profit.—When retail merchants speak of profit, they usually mean the difference between the cost of the goods and the selling price. This definition has been recognized by a Wisconsin state court. However, no definition could be less exact unless profit is re-defined so as to include a lot of things that go by other names. For example, a manufacturer does not mean by profit the difference between the cost of the raw material which he buys and the amount received for his finished goods. Everybody recognizes that in a factory there must be taken out of this difference large sums for the wages of labor, other sums for the purchase and upkeep of machinery, and other sums for rent, transportation, selling expenses, and so on. The case is not different in the retail store. There is the labor—salesmen, delivery men, bookkeepers, and other employes—which must be paid. There is the store and its fixtures which must be paid for and kept in good repair; and there are the general expenses similar to those of the factory. The *true profit* of a store *is what remains after all of these expenses have been paid.*

Economic profit.—Political economists show that there are five different kinds of income—*wages or salaries* for labor, *rent* for land, *interest* for capital, *insurance* for risk, and *profit* as a return for special skill in management. Profit is what is left over after every expense has been paid. To obviate the difficulty in the common use of the term,

business men make use of the words "gross profit" and "net profit." Gross profit, according to common usage, is the name for the total difference between the original cost of the goods and the selling price. Net profit represents real economic profit—what is left of this difference after all expenses have been paid.

How profits are computed.—Accompanying the variety of definitions and much misunderstanding of the term profit, there is equal dissimilarity in methods of computing profit. If the stock of a store could be cleaned out entirely at regular intervals, it would be easy to find the gross profit by simply subtracting the cost price from the selling price of the goods. But as stocks are rarely sold out in a going concern, account must be taken of what is on hand when the profits are computed. In other words, an inventory must be taken. The total purchases less the goods on hand must equal the goods sold, or, putting the same thing in money values, the total purchase cost, less the value of the goods on hand, equals the cost of the goods sold. Subtracting this amount from the selling price will give the gross profit. Expressed in the form of an equation, the gross profit becomes:

$$\text{Sales} - (\text{Purchases} - \text{Inventory}) = \text{Gross Profit}$$

But in bookkeeping it seems to be easier to vary the mathematical operation a little; the usual method of finding gross profit is to add the inventory to the sales and then from this total to subtract the purchase cost. The result is exactly the same if either method is followed. The equation showing the second method is as follows:

$$\text{Sales} + \text{Inventory} - \text{Purchases} = \text{Gross Profit}$$

How to take the inventory.—But how shall the inventory be taken? This is a question that has been much disputed by practical merchants. Some merchants list goods at billed prices; others at billed prices plus freight; others include

cartage, while still others include storage and buying expense. Some merchants inventory at net costs when discounts are offered and taken, and others inventory at net costs whether the discounts are taken or not. Some merchants inventory goods on some of the cost bases suggested above, but with deductions for depreciation in value of goods. Some inventory at present cost of replacement. Not a few inventory at selling prices; that is, at what the goods will probably bring.

It is evident that each of these methods would bring a different result in the gross profit shown. Which is the right way? Anyone of several of the methods suggested would be correct if the merchant using it fully understood what it stood for, and if its limitations were properly considered. For example, inventorying at the selling values of the goods has a most useful purpose, *but not in finding the gross profits.* Such an inventory should be taken occasionally by every store. But most merchants agree that an inventory at cost is the only proper one for accounting purposes.

The main difficulty seems to hinge upon the meaning of the term "cost." Several meanings can be given to the word, and each might be sound from the standpoint of the one who gives it.

Merchants sometimes speak of the cost of the goods and of the cost of doing business. This is likely to be confusing. It is better to speak of the *cost* of the goods and of the *expense* of doing business. In order to distinguish definitely between these two things, let us examine for a minute the factors that enter into the price at which goods are sold. First, there is the amount of money spent to bring the goods into, or under the control of, the store. This should include the actual price at which the goods are bought, together with the charges incurred to put the goods on the shelves of the store or in any other place where it

is necessary for them to be in order to be sold. Second, there is the amount of money spent for the service and labor within the store—for the *storekeeping,* in other words. And lastly there is the element of supply and demand—the price that customers will be willing to pay for the goods. All of these three things enter into the price at which the goods must be sold. The first is called *cost,* the second *expense,* and the last might be called the *market value.*

These factors in price have been brought out here because they serve to indicate exactly what cost is. It will be noted that the characteristic of cost is that it is outside of the control of the merchant, except as he may be able to get better prices by better bargaining. His store expenses, however, are entirely within his control. He can have almost any location for which he is willing to pay; he can have any fixtures he wishes; he can employ good or poor salespeople as he sees fit; and he can in similar manner control all the items of his storekeeping expense. The cost of goods, on the other hand, is largely fixed for him by the people from whom the goods are bought, and it is this characteristic that distinguishes cost from expense. In general, then, from the merchant's standpoint, cost includes net cost of goods plus all charges, such as freight and drayage, necessary to lay the goods down at his place of business. All outlay up to and including this point makes up the cost of the goods to him. All outlay after this point is storekeeping expense. The inventory should, therefore, be taken at the *net, laid down cost* prices.

In this statement the word *net* does not mean that the goods should be listed at the prices paid after deducting the cash discount in those cases in which cash discounts have been offered and taken. It means that the goods should be listed at the list prices less the ordinary trade discounts, but not less the cash discounts. Good accounting practice does not recognize cash discounts as a real reduction in the cost

of the goods. Cash discounts are usually credited to an income account. This is reasonable, because the cash discount is something over which the merchant has control; he may, or he may not, take advantage of it, as he sees fit. As something within his control, then, it is not a factor to be taken into consideration in connection with the cost of the goods.

There is one exception to the rule that the inventory should be taken at net, laid down prices. It is clear that no useful purpose can be served by keeping to the cost price of an article in making out the inventory *if the selling value has gone down below that cost price.* The rule should in this case read: Inventory the goods at net cost laid down in the store, if that amount is below the selling value, but at selling value if the latter is below cost.

The turn-over.—In a mercantile business where the profits come from buying and selling goods, it is not enough to know what the gross profits are for a given period of time. One does not learn very much about the condition of a business to note in the bookkeeper's statement that the gross profits for the past year were 40% of the sales. This does not tell whether the stock was sold out once or ten times during the period. It shows nothing of the rapidity with which goods must have been transferred by the store in order to gain this 40%. Suppose that the merchant should discover that his gross profit is too small by 5% to meet the expenses of the business and to leave him a fair net profit. How should he mark and sell his goods so as to get 45% gross profit? Obviously if he sells out the value of his stock once in a year, the adding of something more than 5% to the present selling price of each article will give him the desired gross profit. But if he sells out the value of his stock several times during the year, it will not be necessary to add 5% of the selling price of each article; for to do so would give him a much larger gross profit than the desired

45% if he succeeded in selling at such an advance. The conditions of the ordinary market are such, however, that the chances are he could not sell his goods at all if he added 5% in such an arbitrary manner to the ordinary selling prices. In order to know how much to add to the selling price of each article to gain a certain gross profit, he must first know what his annual turn-over is; that is, he must know how many times he sells out completely the value of his stock in a year, or during any given period. For example, if his stock turns five times, the extra 5% could be earned by adding only a little over 1% to the present selling price of each article.

How is turn-over determined?—There is no agreement as to the method of finding the number of stock turns. Many think they are finding it when they divide the total sales by the inventory amount at the beginning of the year. Others divide by the inventory at the end of the year. The difference may be great, indeed, between these two results, and there are at least four other methods in actual practice. One is to divide the total sales by the average value of stock on hand, taking an average of all months in the year. Another is to take the approximate cost of the goods sold and to divide that by the cost of the average amount of stock carried; the average is found as in the preceding case. Another method is to divide the total sales by the probable selling value of the goods on hand at the beginning of the year; and the confusion in methods is made complete by still another method in which the total sales are divided by the selling value of the goods on hand at the last inventory. *The true turn-over can be found only by dividing total sales by the average selling value of the stock on hand;* or *by dividing the approximate cost of all goods sold by the cost of the average stock kept on hand.* Other methods will serve the purpose in some businesses, and will be nearly right in some cases; but the opportunity for great

error is always present in them. With the usual accounts kept in most stores, there is an element of estimation in both of the standard ways. But this element can be considerably reduced by expending a little more well directed labor on the keeping of the accounts. It has paid successful stores to get the exact figures representing the annual and even the semi-annual turn-over.

The expenses of selling.—With settled methods of finding inventory and turn-over, and, therefore, the method of computing gross profits on the whole stock and on single articles, there remains to be determined the expenses of the business which must be paid out of these gross profits after the cost of the goods has been paid. The following table presents a detailed list of the ordinary expenses of a retail business. This list should be studied carefully.

EXPENSES OF DOING A RETAIL BUSINESS

I. *Buying expenses:*
   1. Salaries and wages of buying force.
   2. Other buying expenses.

II. *Selling expenses:*
   1. Salaries and wages of sales force.
   2. Extra selling.
   3. Advertising.
      a. Newspapers.
      b. Circulars.
      c. Other, including displays.
   4. Miscellaneous selling expenses.

III. *Delivery expenses:*
   1. Salaries and wages of delivery force.
   2. Other delivery expenses.

IV. *Management expenses and fixed charges:*
   1. Rent.
   2. Heat.

3. Light.
4. Power.
5. Repairs and renewals of equipment.
6. Depreciation of equipment.
7. Insurance on stock and equipment.
8. Taxes and licenses.
9. Management and office salaries.
10. Office supplies and expenses.
11. Miscellaneous management expenses.

V. *Losses from bad debts.*

As each item is read, consider it in connection with some store with which you are familiar, and determine whether such an expense is incurred in the store you have in mind, how the amount is expended, what the amount is, and what returns are obtained from the expense.

The National Association of Credit Men have recommended the following rules for figuring costs and profits.

1. Charge interest on the net amount of your total investment at the beginning of your business year, exclusive of real estate.
2. Charge rental on all real estate or buildings owned by you and used in your business, at a rate equal to that which you would receive if renting or leasing the property to others.
3. Charge in addition to what you pay for hired help an amount equal to what your services would be worth to others; also treat in like manner the services of any member of your family employed in the business not on the regular pay roll.
4. Charge depreciation on all goods carried over on which you may have to make a less price because of change in style, because of damage, or for any other cause.

5. Charge depreciation on buildings, tools, fixtures or anything else suffering from age or wear and tear.
6. Charge all fixed expenses, such as taxes, insurance, water, lights, fuel, etc.
7. Charge all amounts donated or subscriptions paid.
8. Charge all incidental expenses, such as drayage, postage, office supplies, livery or expenses of horses and wagons, telegrams and telephones, advertising, canvassing, etc.
9. Charge losses of every character, including goods stolen or sent out and not charged, allowance made to customers, bad debts, etc.
10. Charge collection expense.
11. Charge any other expense not enumerated above.
12. When you have ascertained what the sum of all the foregoing items amounts to, prove it by your books, and you will have your total expense for the year; then divide this figure by the total of your sales, and it will show you the per cent. which it has cost you to do business.
13. Take this per cent. and deduct it from the price of any article you have sold, then subtract from the remainder what it cost you (invoice price and freight), and the result will show your net profit or loss on the article.
14. Go over the selling prices of the various articles you handle and see where you stand as to profits; then get busy in putting your selling figures on a profitable basis, and talk it over with your competitor as well.

How much should expense be?—What expense in a retail store should amount to is an important question, but not one that can be definitely answered, for the reason that there have never been complete studies made of the matter.

Expenses will differ, no doubt, because of local conditions, the size of the city, the character of the trade, and other matters. According to the estimates that are available, based upon the experience of successful stores, it costs from 14% to 20% of the total sales to run a grocery business, from 16% to 25% of the total sales to run a boot and shoe store, from 24% to 35% to run a jewelry store, from 14% to 18% to run a hardware store, from 15% to 20% to run an agricultural implement business, and from 18% to 25% to run a drygoods store. But these figures are really of small value, for the reason that the margin between the minimum and maximum figures is sufficient to make or break any business. If one should take the minimum, however, as the average for ordinary small towns of less than 5,000 population, not within fifty miles of some great marketing center, and the maximum as the average for the large city store where the service demanded, the rent, and the advertising cost are high, he would probably not be far from right.

It is notable, according to Mr. H. G. Selfridge, an American merchant now running an immense store in London, England, that the business expense amounts to about 5% less there than in this country.

Nothing but approximations can be given, for the facts are not to be had.

Mark-downs.—After a merchant has determined what his percentages of expense are likely to be and what profit he would like to get, he must realize that he has the element of depreciation to deal with. If he marks his goods at a certain price, he knows very well that the chances are many

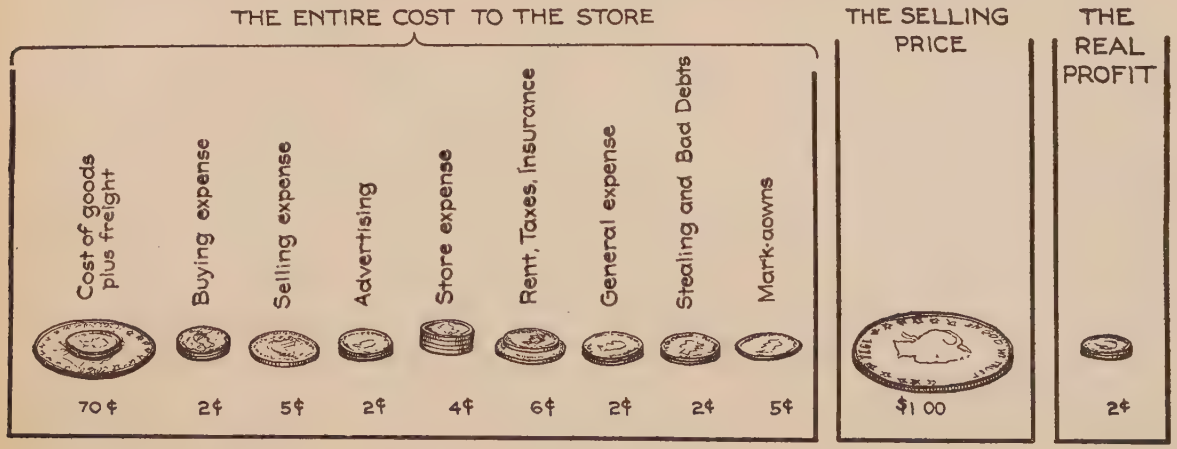
to one that he cannot clean out the entire lot at the marked price. What of the rest? They must be sold at lower prices. If they are seasonable goods, they must be disposed of at any figure that they will bring. Here a part of the expected profit will be lost; possibly a loss will be incurred due to selling below the costs of the goods. In order to insure the profit and expenses as originally planned, it will be necessary to add to the mark-up such a percentage as, in the experience of the store, will cover possible reductions or mark-downs at the end of the season. The amount of this mark-down varies considerably according to the community, the quality of the buying, and the character of the trade. A certain drygoods store asserts that it must allow 5 per cent. for mark-downs. Another claims this is too high. No doubt, in other places, the amount is too low.

Refer to Plate VI and study the diagram there presented. The plate presents merely an illustration, and is applicable in its present form to but few articles. The principle illustrated by the diagram is the same, however, for all goods sold at retail.

Compute profits and expenses on sales.—We have repeatedly spoken of percentages of expense and of profit. In most cases, we have indicated that these were percentages *of the selling price* or of total sales, *and not of costs.* This is puzzling to many. The matter is quite simple, however, if viewed from the standpoint of the balance sheet made out at the end of the year. It is from *the total sales* that all expenses for the year must be paid, and it is from *the total sales* that the profits are derived. This being the case, *the amount of sales should be taken as the base of computing both expenses and profits.*

Some merchants dispute the necessity of computing profits on the basis of sales. There has been a great deal of recent discussion upon this point—much of it due to misunderstand-

COST OF SELLING GOODS AT RETAIL AND NET PROFITS ILLUSTRATED.



ASSUME THAT AN ARTICLE REGULARLY SELLS FOR A DOLLAR. ALSO THAT ITS COST AT WHOLESALE IS SEVENTY CENTS UNDER AVERAGE CONDITIONS THE ABOVE REPRESENTS THE DISTRIBUTION OF EXPENSE OF SELLING AND THE NET PROFIT NOTE WHAT WILL HAPPEN TO NET PROFITS IF ANY ITEM OF EXPENSE, OR ITS TOTAL, SHOULD BE INCREASED BY TWO CENTS

ing. There should be little ground for argument. If one means by profit the return upon the investment in the goods, then the base upon which the profit should be computed is the amount of money paid for the goods. But in retail selling, our problem is more than merely investment. The profits are more, or should be more, than a mere return for the amount of capital invested. In fact the simple investment of money in goods, no matter how wisely done, would yield nothing. Other investments besides those for goods must be made before there can be any return. Retail selling involves investment in goods, labor, management, risk, and other variable elements. The results from all of these items are measured by *the sales of the store*. Each of these items is a factor in producing the total sales. Each costs something, or is worth something. We may say that the total sales are made up of sums of money due to each of these factors. The cost of the goods is but a single item. There is no more logical reason for using cost of goods as the base on which to figure profits than there is for using the cost of the labor, the cost of the rent, or any other *single item* that enters into store costs, except that the cost of the goods is considered as the starting point of store expense.

When we say that the expenses of a business amount to one-tenth or one-fifth of the total sales, we are stating a fact in the way that most people want it stated, in a way that is current in other kinds of business as well as in retailing. For example, a manufacturer does not base his expenses upon his cost of materials. It is the value of the output, the sales, that he considers as his base. The farmer does not figure his expenses upon the cost of the seed that he sows; he computes the percentage of expenses on the basis of his total income from the crop. True, there are differences in manufacturing and farming, and retailing, but the underlying principle of figuring profits holds for all.

The retailer's service with wholesale lots of goods is in principle the same as the manufacturer's service with respect to raw materials or the farmer's service with respect to seed and natural forces. All three take goods and materials and make them available for other classes of people.

Marking the prices.—The main difficulty that arises out of the principle of computing expenses on the basis of selling price rather than on cost, seems to arise when the merchant marks his goods. Recent investigations show that many merchants have marked their goods at prices which they thought were going to yield good profits, when, in reality the final results showed a loss. How this happens may be made clear by illustration.

The right way.—Suppose that a merchant learns that his *expense* of doing business amounts to 22% of his sales. If he buys an article at 75 cents, at what price shall he mark it to be sold if he desires to net a profit of 10%?

The selling price must be considered as the base, but the selling price is made up of the cost, expense, and net profit. These items and their relation to the whole may be shown as follows:

Selling Price

Cost	Expense	Net profit

In the example above the figures are as follows:

Selling Price 100%

Cost 75 Cents	Expense 22%	Net profit 10%

By adding 22% and 10% together one gets 32%. Subtracting 32% from 100% leaves 68%, which represents the cost of the goods.

Cost	68%
Expense	22%
Profit	10%
Selling price	100%

The cost is 68% of the total selling price. In money the cost is 75 cents. Then 75 cents is 68% of the total or selling price.

68% of selling price=$.75
1% of selling price=$.75÷68 or $.011
100% of selling price=100 × $.011 or $1.10

Therefore the selling price should be $1.10.

The wrong way.—Now a great many merchants would have made the mistake of trying to solve the problem in the following way:

The cost is $.75, which is to be considered as the base, and therefore is to be represented by 100%.

22%=expense
10%=profit desired

32%=what must be added to cost to make the selling price. Since the cost is incorrectly considered to be the base, the percentage of gross profit is computed on this amount.

32% of $.75=$.75 × .32=$.24

24 cents, then, is the amount that must be added to the cost to make the selling price, according to this incorrect method of figuring:

$.75 + $.24 = $.99 selling price

Loss caused by the wrong method.—It will be noted that there is a difference of eleven cents in the selling prices as a result of the two methods of computation. The merchant loses all the profit, and sells the article practically at cost plus expense of doing business when he adopts the latter method. Not only that, but he fools himself. He thinks that he will get a profit of 10%, but this never materializes.

Another example.—Let us take another example showing the importance of this matter to the retail store manager. Let us assume that he has under consideration a proposal to handle an article costing him, laid down in the store, $1.25, and which will sell for $1.50. Let us assume in this case that the selling expense runs about 18% *of the sales.* Can the merchant afford to handle the article?

There would be a gross profit of 25 cents on each article sold. Would this be enough to pay the expenses and yield some net profit besides?

Some merchants would reply affirmatively, because they would make the mistake of computing the profit in the wrong way. They would say: "25 cents is $\frac{1}{5}$ or 20% of the cost, $1.25. My selling expense amounts to 18%. 20% — 18% = 2% profit. 2% of $1.25 = $.02½, the amount of net profit on each sale."

What is wrong about this? Simply this: the expense of selling, 18%, was computed on the *sales,* and the gross profit, 20%, was computed as a part of the *cost*—two entirely different bases. In attempting to compare amounts representing two entirely different sorts of things, an error decidedly dangerous to the business is sure to result.

Let us see what the result will be if we reduce the 25 cents in money profit to a percentage of the proper base, the *selling price,* which is $1.50.

100% of selling price = $1.50, the selling price
1% of selling price = $.015 ($1.50 ÷ 100)

If $.015 (one and one-half cents) is 1% of the selling price, what per cent. of the selling price is $.25, the gross profit? The answer is found by dividing .25 by .015. The quotient is 16⅔. Therefore the gross profit, 25 cents, is 16⅔% of the selling price, $1.50.

In the problem under consideration we assume the cost of doing business to be 18% of the total sales. Then, since the gross profit is only 16⅔% of the sales price, there would be an actual loss on every article which cost $1.25 laid down in the store and which sold for $1.50; and the percentage of this loss would be the difference between 18% and 16⅔%. This difference is 1⅓%, figured on sales. The money *loss* on each sale, then, would be 1⅓% of $1.50, or 2 cents. It is clear, therefore, that a merchant cannot afford to handle an article costing $1.25 and selling for $1.50, unless his selling expense is less than 16⅔%.

Compute profits and expenses on the same base.—The essential thing is that *profits and expenses must be computed upon the same base.* If a merchant would take the trouble to figure out what his expenses of doing business are as a percentage of the cost of the goods that he has sold, then it would be permissible to figure profits upon costs also. But if expenses are to be considered in relation to the *sales,* as they usually are, then *all computations* involving gross or net profits *must also be figured on sales.* The general adoption of this latter plan would put merchandise accounting in accord with the methods of other businesses.

For the reason that considerable time is required to find what percentage of the cost it takes to equal certain percentages on sales, Plate VII will assist the merchant in making the proper charges for his goods.

Retail profits.—The amount of net or true profit that well managed successful grocery businesses earn varies from 2% to 4% of the sales per turn-over; from 3% to 6% in boots and shoes; and about the same for drygoods. Many

CHART SHOWING RELATIVE VALUE OF PER CENT. AT COST AND PER CENT. AT SELLING

At cost	At selling	At cost	At selling	At cost	At selling
22%	18.0%	48%	32.4%	74%	42.5%
23	18.7	49	32.9	75	42.9
24	19.4	50	33⅓	76	43.2
25	20.0	51	33.8	77	43.5
26	20.6	52	34.2	78	43.8
27	21.3	53	34.6	79	44.1
28	21.9	54	35.1	80	44.4
29	22.5	55	35.5	81	44.8
30	23.1	56	35.9	82	45.1
31	23.7	57	36.3	83	45.4
32	24.2	58	36.7	84	45.7
33⅓	25.0	59	37.1	85	46.0
34	25.4	60	37.5	86	46.3
35	25.9	61	37.9	87	46.5
36	26.5	62	38.3	88	46.8
37	27.0	63	38.7	89	47.1
38	27.5	64	39.0	90	47.4
39	28.1	65	39.4	91	47.6
40	28.6	66	39.8	92	47.9
41	29.1	67	40.1	93	48.3
42	29.6	68	40.5	94	48.5
43	30.1	69	40.8	95	48.7
44	30.6	70	41.2	96	49.0
45	31.0	71	41.5	97	49.2
46	31.5	72	41.9	98	49.5
47	32.0	73	42.2	99	49.7
				100	50.0

PLATE VII.

Example of Application of the Chart

If expenses are 27% of the *selling* price, then 37% of the *cost* price must be added *to the cost*, in order to make the selling price cover the 27% of expenses. Thus: Cost price is $1.00. 37% of $1.00 is 37c. Add 37c. to $1.00, and the selling price is $1.37. As 27% of $1.37 is 37c., it is evident that the selling price includes cost price plus the necessary 27% of expenses.

go beyond these figures, but the concern that nets from 3% to 5% on each turn-over may be considered successful in retailing. The number of turn-overs varies from one and one-half or two to ten a year. In general merchandise, three to four turns in a year is considered fairly good business.

Discounts for cash.—A large element in the profit making of a store is the taking of all discounts offered by the wholesalers or manufacturers for early cash payments. These amount to from 2% to 7%, or even more, from billed prices for payments made within ten days, or other stated

periods. Discounts encourage prompt payments, since they are invariably higher than regular rates of interest. From the retailer's standpoint, passing a discount means paying an exceedingly high rate of interest for the use of the net amount that would have been accepted. From the wholesaler's standpoint, the discount, if not accepted, should be large enough to cover not only interest on the net amount, but also the extra expenses that come to a firm that must wait for its money, and the risk of loss of payment which increases rapidly as the account grows older.

Dating.—Bargaining for terms—that is, for discounts and dating—is a part of the work of the buyer. In some lines the terms are nominally short time, but long in reality, because the bills are dated into the future, the discount terms beginning with the future date rather than with the date of sale. Dating, as this practice is called, is universal in certain lines, such as hats and caps, clothing, and other goods sold for delivery several months after the date of the sale. There is good reason for the practice in these lines. In other lines, however, in which delivery is made immediately after the sale, the method is an anomaly in modern business—a survival of the long time terms of the past. It is in this practice of dating that a considerable amount of discrimination and underhand competition may be accomplished. The store that can secure long dating at a time when investments will be profitable, but when its convertible assets are low, is in a much better position from the buying standpoint than the store that must pay immediate cash, or forfeit its discounts. With coming standardization of the methods of manufacture and of selling, many think that big discounts will be reduced and dating eliminated.

Selling price not based alone on costs of selling.—As has already been stated, cost and expense are by no means the sole factors in determining the selling price of goods.

THE COST OF SELLING

Selling price is that amount which goods will command in the market. Selling price is the measure of desirability of an article to a customer. This desirability may be far higher than actual costs of production and selling. The point is that merchants should stop handling an article for which the demand is so weak that it will not command at least a price equal to the sum of the items of cost and expenses. Cost accounting determines accurately what that minimum price must be.

CHAPTER XVII

BUYING FOR A RETAIL STORE

Importance of good buying.—It is absolutely essential that the buying for a retail store should be well done. Poor buying puts unnecessary burdens upon the salesmen, and results in the necessity of marking down the selling price of the goods in order to get rid of them. The essential principle of good buying is to get what the people will want, and have it for sale when they want it. The buyer's sole aim should be to buy what he is sure will please his customers. He should find the best possible bargains for them in both quality and price. When he has done his very best in this respect, he is likely to be an enthusiastic salesman, and he will be able to convey some of his spirit of confidence in the goods to his assistants so that they also will be better salesmen. Buying right results in confidence in the goods and confidence in their utility for the store's customers.

Where to buy.—Where to buy is an important question. Shall the goods be ordered from distant markets or from the nearest dealers? There is general concurrence in the belief that a buyer can do better in the long run by sticking to those dealers nearest at hand, whose stocks are complete. There are many advantages in forming good trade connections with a nearby wholesaler, which are missing in connections with distant houses. In the former case the goods arrive more promptly; and it takes less time and expense to order new goods, to effect exchanges, and to make settle-

ments. There may also be some advantage in transportation charges, though this item must be balanced with any increase in prices over those offered by the more distant dealers. On the other hand, many merchants try to buy as close to the source of supply as possible, as for example, directly from the manufacturers. This practice is growing in most lines, especially in large stores. In fact, the future of wholesalers is threatened by a decided movement to "cut out the middleman." It is not likely that wholesalers can be displaced. Their functions are too numerous and of too great value; but readjustments in trading conditions affecting them are taking place continually, and the end of this movement is not yet in sight.

Buy in few places.—There is general concurrence in the belief that scattering one's orders among many dealers is not a good practice. This principle suits the wholesaler. He says, "Buy all your goods from us. We will then take an interest in your firm, let you know about special favorable or unfavorable conditions, and give you better prices and credit rating than if you should buy from several others also." This is, no doubt, the truth, but the retailer who ties up in any way to one wholesaler must do so only upon the condition that he does receive the benefits promised. If, at any time, the wholesaler should neglect to live up to his end of the understanding, the retailer should be in position to transfer his trade at once to other markets. The cases in which wholesalers or manufacturers have taken advantage of retailers who had become dependent upon them for all goods, are too numerous to be passed over without cautioning retailers to be careful in entering into buying connections. The wholesaler wants trade and will gladly offer many special services to get it; but after he once gets it, he has been known to forget to continue the special services. The retailer should place his trade, if possible, with wholesale houses that deal squarely always, even if their

prices are a little higher than those of less reliable houses.

Wholesale houses and manufacturers doing business with retailers watch the affairs of their retail customers very closely if it is known that they spread their trade around among many dealers. The credit rating of such dealers is usually lower than that of those who deal with only few houses. The man who can buy for cash and asks no favors of any one, can, if he sees fit, spread his trade wherever he wants to, but experience seems to prove that the small dealer with limited capital had better trade with only a few good firms.

Method of buying.—It is advisable that the buyer should visit the markets as often as possible, and take his chief salesman with him when he goes. These visits are productive of good to the buyer and to the store in an educational way; and often personal visits are helpful in getting better prices. Tendencies in style and in custom and new improvements may be studied. On the other hand, many merchants report that they can get better prices, as a rule, when they buy from traveling salesmen who visit their stores. The third method of purchasing, namely, ordering by mail from catalogs, needs to be compared with the first two for any given store and the results of the comparison applied in practice. The expense of traveling salesmen in the aggregate is enormous, and must, of course, be added to the cost of the goods. It would be much better for both consumer and retailer if this great amount of money could be saved, and the prices of goods to that extent lessened. On the other hand, mail-order houses spend perhaps an equal amount of money on catalogs and advertising. The problem—the general relative cost of distribution of goods and of buying through salesmen and by mail—is still unsolved. Practically speaking, we cannot get along without either salesmen or advertising at the present time. Even when products are entirely controlled by monopolies,

they find it profitable to send traveling salesmen on the road to get the business.

A growing practice is for dealers to co-operate in their buying. There is no reason why this plan should not succeed in some lines and especially with staple articles, provided enough dealers join in the enterprise to make it profitable to employ a good, professional buyer who knows his business. The secret of success in all co-operative industry is good management, and good management costs money. There is now a kind of co-operation extensively promoted by professional buyers. Some of them located in the large mercantile centers make arrangements with stores throughout the country to serve as their buying representatives, to watch the market, to pick up bargains, and to notify their clients of style changes, and so on. For these services each store pays a fee. But true co-operation involves the organization of the stores themselves, and of this type of organization there are but a few examples in this country. It is likely that co-operation will be considered much more in the future than it has been in the past. In a certain sense, it is the logical way for the small dealers to meet the competition of the big stores and of the chain store systems. The chain stores get all the advantages of co-operative buying under their single-head management.

Bargain hunters.—Many buyers are constantly on the lookout for "special bargains," "job lots," and "snaps." This is well enough in a way and for certain purposes, but the average store does better in stocking from regular lines. Bargain hunters come to be known in the wholesale business as well as in the retail store, and, whenever they arrive in a jobbing house, the salespeople prepare to meet them in such a way as to get their trade and yet not lose any money.

Buy little and buy often.—Discounts on cost prices, offered for taking large quantities, are a temptation that

every buyer meets. In order to get these better prices, buyers often overstock and thereby tie up good store capital with the ultimate result of having to sell much of the stock at little or no profit. The only safe rule in this matter is to buy only what is absolutely needed to keep up the store's stock, take as much discount as is offered on this amount, and then buy often. Most successful businesses aim at small but complete stocks and quick turn-overs. This keeps the store's capital in almost constant motion.

The dealer who buys in small quantities has the opportunity to buy a greater variety, and by keeping a very close watch of his stock so as to prevent being out of anything, he may draw more trade and thereby make more profit. Some dealers make it a point to order goods every day. The policy of buying in small amounts is growing rapidly among successful merchants. In certain lines, some merchants actually succeed in disposing of a large part of the stock purchased in each bill before the term of discount expires. In this way they are able to pay for the goods out of the money that has been received from the sales of the articles. The doing of business on the capital of the wholesalers and manufacturers is as satisfactory to them as it is to the retailer, provided all bills are met within a stated time. In these days of rapid communication by telephone and telegraph, especially if the store is within a few hours of the sources of supply, this plan can be carried out much more extensively than it is at present. In the long run the biggest profits are made on quick turn-overs, on new goods, and by taking the discounts on all bills.

Exclusive lines.—Finally, it is frequently a good policy to buy exclusive brands or styles, or to take agencies for the town. The buyer does this so that his competitors cannot get the same lines and open up a price competition. He buys wherever he can get uniformly fair treatment and good stock, and in the nearest possible market. He does not

scatter his orders except where necessary, and he buys little at a time but often. He works on the principle that he is serving the people in his community, and that "goods well bought are half sold."

The buyer's qualifications.—In order that the buyer may successfully accomplish what has been set forth in the preceding paragraphs, it is necessary that he should be fitted by training and personality for his work. In the first place, the professional buyer should be a salesman, one who fully understands the selling business. The requirements in strength of character are even higher than those of a salesman, however, for he will be subjected to stronger and more insidious temptations. He will be invited to dine, to go to the theater, to smoke, to drink, to drive, to make a few dollars on the side, and he will be given presents. If he has a weak spot in his character, some salesmen will find it out, and thereafter his success as a buyer will be limited. As a trustee of his firm's resources he must invest its funds in the best possible way, and no personal interests should come between him and his duty. He must be secretive, and while buying should say but little. His thoughts should be concealed, except when he wants them to show. Buying is a serious business, and whatever is purchased must be taken, not to please the salesman, but to please the hundreds of people constituting the buyer's trade. The buyer invariably does best in the long run who accepts not a single personal favor of any kind from salesmen. Such a buyer will earn the hearty respect of all good salesmen, because absolutely square dealing always appeals to all good people.

Buyer's knowledge.—In addition to possessing an unimpeachable personal character, so far as honesty and squareness are concerned, the buyer needs to know his business. He needs to know the general market conditions, the factors affecting the market prices, and current tendencies. He needs particularly to know the condition of his

own house both as to stocks and finances. Before offering to buy he should know how much cash is directly available, what liabilities are falling due, what possible drains may occur, and what the prospects are for future resources in cash. In order to know the latter, he must have made estimates of the monthly income of the business with proper allowances for inactive and dull months; and he should know when his community gets paid—that is, the time of pay days and the time when the community's products are turned into cash.

He knows from his study of the credit man's reports what credits fall due and the probable percentage of slow and of uncollectible accounts. He knows before he goes to the wholesale dealers what credit standing and limits his house is likely to get; and he prepares in advance, with great care, the statements that will be required. When he confronts the wholesale credit man, he is ready to tell completely and without hesitation the facts that this official will want. In a large store it may be that several of these details are attended to and settled by the buyer's superiors, but, in any case, his buying ability for the firm will be enhanced if he understands fully what the conditions are. In addition to the financial facts, he is in touch, or in accord, with the policies of his store, so that its central plan or method will be served.

Knowledge of the goods.—The buyer must know the goods. The salesman before him is, presumably, an expert. From him the buyer may learn much that is new concerning the goods, but it is important that he should be prepared to make his own judgments upon their suitability for his trade. Therefore he must know as fully as possible how the goods are produced or manufactured. This will help him to look for strong points as well as possible imperfections. It will help him to know whether colors are fast, where goods are likely to wear out, and where they are

likely to be unsatisfactory. He must know something of the costs of production, including not only the raw materials, the labor, and the capital investment, but also the cost of the designing, coloring, etc. In summary, he needs to know the qualities of the goods he is buying, and he should know just about what they ought to cost, allowing a fair profit to the producers and wholesalers.

How to get this knowledge.—This extensive knowledge of market conditions of his house and of his goods can be obtained only by careful, painstaking study and experience. The buyer is usually what may be called a graduate salesman. He has served his apprenticeship back of the counter. He has diligently studied the wants of people, what they like, and how they like it. He has studied his firm—its limitations as well as its strong features. He knows what classes of trade its success depends upon. He has studied the market as an assistant buyer and as a reader of reliable trade journals for years. Probably he has made special studies in schools or elsewhere in subjects affecting his lines, as for example, in mechanics, or in art, political economy, or commercial geography.

What to buy.—The first step in determining what and how much to buy is to study the experience of the house. Here the buyer will learn what has sold well in the past, and what is therefore profitable to carry. This is not a certain indicator of future business, but it is commonly used, and, in most respects, is the safest indicator for most buyers to use. But if the buyer will add a careful survey of his trade to his knowledge of the past experience of the house, his chances for good buying will be increased. For example, every community has certain standards of style, whether it be in dress or in buggies. Broadly speaking, everyone has noted the differences in "eastern" and "western" styles; the terms "southern," "city," "Broadway," etc., are applicable to large sections.

Every community also is likely to have its own peculiarities or tastes in style. In some places both men's and women's fashions are set perhaps unconsciously, by a few of the so-called leaders of fashion. The colors and models selected by them are followed in a general way by a considerable number of others. A buyer needs to study what will best please these leaders; he will be quick to note the growing tendencies in their wants.

He will know what periodicals are read in his community, and hence the kinds of advertisements that are constantly at work building up demand. He will aim to have these advertised goods, or others very nearly like them, ready for the demand when it begins to be felt. The number of magazine readers is increasing rapidly, and the advertising in these magazines is becoming more and more powerful. A retail merchant cannot afford to neglect this influence on popular demand. Most retail people would be surprised to learn the exact figures regarding the number of people in their town who are giving close attention to the advertising in the magazines. There is hardly a family in most towns that does not have some sort of magazine or periodical, and many families are subscribers to a number of magazines. Wherever a periodical goes in these days, there goes advertising, and its influence will be felt sooner or later.

In determining what to buy, the buyer who has an intimate knowledge of the people for whom he is buying—that is, his customers—has a decided advantage. For example, if he knows what the income of the people of his community is, and their habits and ideas about its use, he has a good foundation upon which to base his belief as to what will sell well. If there are strong national or racial traits or habits among certain classes of his trade, he ought to know that. If the customers own their homes, it will make a difference in their buying in some lines as compared with what they would buy if they only rented. The kind of

homes the people live in is an especially important item of knowledge for the buyer—the size, the number of rooms, the methods of heating, means taken for sanitation and cleanliness, the usual kinds of ornaments, whether there is any desire to improve the homes or not, whether the wives do the work themselves or hire servants, whether the home-makers know anything about domestic science or not, whether much of the clothing and foods are prepared at home or purchased already prepared. It pays for a buyer to know personally as many people as possible, to know the interior of their homes, to know what ideals the people are struggling to live up to, and to know what will satisfy them best.

How much to buy.—Buyers have not reduced their estimates of demand to a scientific basis in most cases. The past experience of the store and the general knowledge that the buyer may have of his customers furnish the basis for what is but little more than a good guess. To avoid the evils that may come from bad guessing, the wise, practical buyer purchases at the beginning of the season only a part of the goods which he estimates he will actually need. As to varieties, he may follow such a rule-of-thumb as the following: "Spend two-thirds of your appropriation on staples, and one-third for new lines or novelties." Such policies it would be well to follow in any case but there is, no doubt, much opportunity for still more scientific determination of demand, difficult as the problem may appear at first sight. A scientific determination can be arrived at only by a deep study of economics and sociology.

In the field of buying there is a possibility of applying some scientific principles that may prove of value. For example, the buyer guesses how much a community will spend for goods next season. There are, it is true, some uncertain elements in this problem even when considered from the standpoint of economics. But with the help of

complete and correct census figures, it is possible to learn just how many people there are in a given community, their ages, sexes, occupations, whether married or not, and even their incomes. By a principle of economics known as Engel's Law, it may be possible from one's knowledge of the income of a class to determine very closely what amounts will be expended for food, for clothing, for rent, for fuel, for light, for health, for education, for church, for recreation, etc.

The table following gives the results of an investigation made by the United States Bureau of Labor in 1891 and 1903. Two thousand families' annual expenditures were investigated in 1891, and over eleven thousand in 1903. Although these statistics were compiled some years ago, there is no reason to suppose that there would be any great change in the results if similar statistics were compiled at present.

EXPENDITURES OF AMERICAN FAMILIES INVESTIGATED BY THE UNITED STATES BUREAU OF LABOR

	Per Cent of Total Expenditures									
	Food		Clothing		Rent		Fuel and light		Miscellaneous	
	1891	1903	1891	1903	1891	1903	1891	1903	1891	1903
Under $200	49.6	50.9	12.8	8.7	15.5	16.9	8.1	8.0	14.0	15.6
$200 or under $300	44.3	47.3	14.3	8.7	14.7	18.0	7.6	7.2	19.2	18.8
$300 or under $400	45.6	48.1	14.1	10.0	15.0	18.7	7.0	7.1	18.3	16.1
$400 or under $500	45.1	46.9	14.4	11.4	15.3	18.6	6.6	6.7	18.6	16.5
$500 or under $600	43.8	46.2	15.3	12.0	15.2	18.4	6.6	6.2	19.1	17.2
$600 or under $700	41.2	43.5	15.9	12.9	15.5	18.5	5.9	5.8	21.6	19.4
$700 or under 800	38.9	41.4	16.3	13.5	15.6	18.1	5.3	5.3	23.9	21.6
$800 or under $900	38.1	41.4	15.1	13.6	16.1	17.1	5.3	5.0	25.5	23.0
$900 or under $1,000	34.3	39.9	16.8	14.4	14.9	17.6	4.7	5.0	29.1	23.2
$1,000 or under $1,100	34.7	38.8	17.5	15.1	15.1	17.5	4.5	4.9	28.1	23.7
$1,100 or under $1,200	30.7	37.7	16.5	14.9	12.2	16.6	3.0	4.7	36.7	20.1
$1,200 or over	28.6	36.5	15.7	15.7	12.6	17.4	3.0	5.0	40.1	25.4
All	41.1	43.1	15.3	13.0	15.1	18.1	5.9	5.7	22.7	20.1

From Ely's Outlines of Economics, Revised Edition, page 119.

Considering the items of expense in greater detail for the average American family, the 18th Annual Labor Report

of the U. S. Bureau of Labor gives the following as the average:

Fresh beef	$50.25
Salt beef	5.26
Fresh hog products	14.02
Salt hog products	13.89
Vinegar and pickles	4.12
Other food	20.40
Other meat	9.78
Poultry	9.49
Fish	8.01
Eggs	16.79
Milk	21.32
Butter	28.76
Cheese	2.62
Lard	9.35
Tea	5.30
Coffee	10.74
Sugar	15.76
Molasses	1.69
Flour and meal	16.76
Bread	12.44
Rice	2.05
Potatoes	12.93
Other vegetables	18.85
Fruit	16.52
Rent	99.53
Principal and interest on mortgage	12.15
Taxes	5.75
Insurance	20.98
Fuel	32.21
Lighting	8.15
Clothing	107.90
Organization fees	8.90
Religious purposes	7.60
Charity	2.39
Furniture and utensils	26.28
Amusements and vacations	12.30
Books and newspapers	8.38
Intoxicating liquors	12.45
Tobacco	10.91
Sickness and death	20.52
Other purposes	45.14
Total for all purposes	$768.64

In similar investigations carried on in Germany, Engel found that the percentages expended on each class of goods were about the same as in this country. It should be noted that people expend just about the same percentage of their incomes, no matter what they receive, for clothing, fuel and light, and rent. The percentage for food diminishes as the income increases, while the percentage for miscellaneous items, such as minister to comfort and mental bodily recreation, increase with the increase in income. Assuming stable industrial conditions, the merchant can be sure that these amounts will be expended either in his town or elsewhere. In other words, he may be sure that the community's demands will be satisfied.

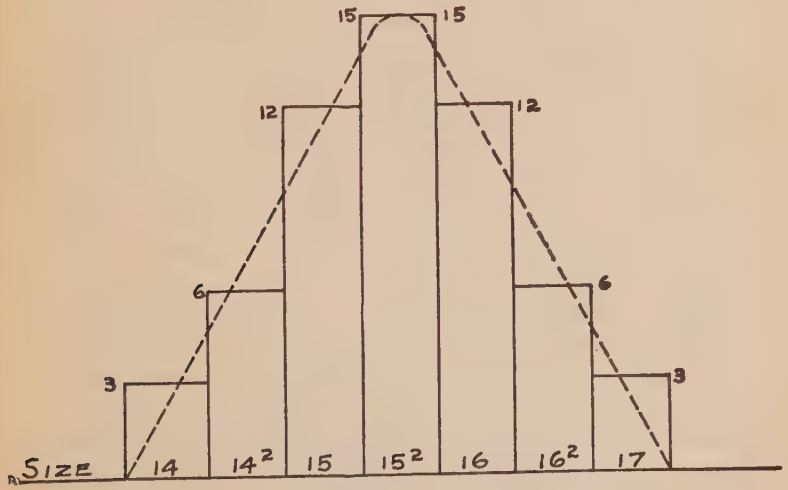
Other problems of the buyer.—The buyer's next problem is the determination of the sources of supply of the goods the community demands. If there are several concerns supplying the same article or class of goods as his store supplies, what proportion of the trade can he draw? Past experience plus careful advertising and selling are the solutions to this problem. The quality of the goods that can be purchased by a class of people depends very largely upon their average income.

The styles, colors, and shapes which will be in demand are to be determined from a study of the psychology of the people. The assortment as to sizes in most communities will follow another scientific principle known as the Law of Normal Distribution. Stated in simple terms, this law says that there is variation in everything, as, for example, in sizes; but that the great majority of sizes demanded will be close to the middle point, and from this middle point the demand will fall off gradually towards both extremes. To illustrate: Men's shirts run in standard sizes from 14 to 17. The middle point is 15½. A fair assortment of sizes in a single line of shirts would probably be as follows for most communities:

3 shirts size 14
6 shirts, size 14½
12 shirts, size 15
15 shirts, size 15½
12 shirts, size 16
6 shirts, size 16½
3 shirts, size 17

The variation may be illustrated by a diagram. See Plate VIII.

The numbers given in this table are intended only as an illustration of the principle. They represent the buying practice of one store for a regular $1.00 shirt, but might not be practical for another. The bell-shaped figure, however, shown in Plate VIII, is typical, and must be approximated in all purchases involving sizes, if left-overs of odd sizes are to be avoided.



NORMAL DISTRIBUTION OF SIZES, ILLUSTRATED

PLATE VIII.

Stock up-keep.—Upon the buyer rests the problems of stock up-keep. When surplus stock is kept in a stock room or elsewhere apart from the salesrooms, it should be placed in charge of one man who should be held responsible for the care of the goods. The stock-keeper should keep a careful record of everything that he has on hand, and this record should be so arranged as to show at a glance just what goods are in stock. Goods needed in the salesroom should be given out only on written orders which should be preserved as receipts. In some lines, especially in staple goods, this record will be sufficient to show what must be purchased and when. When any line is almost exhausted in the stock room, that is the signal to replenish. Such a plan would not be practicable for hundreds of kinds of goods sold at retail, however, for the store's entire stock is often on the shelves, on the tables, or in the showcases. To guard against running out of stock the buyer and his assistants, the salesmen, should keep careful watch of their stock, and jot down on want slips, or in a want book, calls for goods not in stock, and notations concerning any supply running low. Standards need to be established as to what constitutes a proper amount to have on hand, and salesmen should be required to report promptly any falling below this amount. Successful stores aim to keep up their sorts but in as small quantities as possible, with the assurance of getting replenishments quickly.

Slow moving goods.—No matter how good the buying, it is bound to be more or less imperfect, in that certain goods will move more slowly than others. Some articles will develop tendencies to become "stickers." The buyer will supervise the arrangement of his stock so as to get the slow movers into as advantageous places as possible. The goods should, of course, be marked at the start at the price for which it is thought that they will sell. If this price does not move them, "mark downs" become necessary. It

is a good rule in the case of all merchandise of seasonable nature to clean up at any price at the end of the season. Some stores have adopted the policy of encouraging the sale of the unpopular goods by granting commissions to the salesmen upon such goods. These commissions are known variously as "PM's," "spiffs," and "premiums." As a result of the granting of commissions, some salesmen are sure to push these goods unduly for the sake of the commission. This will mean dissatisfied customers; hence this practice is not good business. It does not pay in the long run. The responsibility for bad buying should be shouldered by the buyer, or by the manager who placed limitations upon the buyer, causing him to buy the bad stuff; and the business rather than the customer should lose. A large part of the "mark downs" should always be attributed to inefficient buying.

Treatment of traveling salesmen.—Periodically there is an outburst of traveling men's views in the trade and business papers, maintaining that retailers do not accord traveling salesmen fair treatment. Judging from the illustrations frequently given, there is ground for these statements. There is much that the salesmen can do for the retailer who invites and appreciates help. The salesman can in some cases give valuable suggestions on selling plans and campaigns. He is often able to tell the retailer what the trade conditions are better than trade journals can, though in no case does he take their place. His reports to his house may be of service to the retailer when he wishes to establish or extend credit relations. The retailer can afford to treat the salesman in a business-like way. Courtesy here as elsewhere pays.

Pricing the goods.—When the goods are ordered, and when they are received and checked up with the order record or invoice, and found correct, the buyer should supervise the pricing. As stated before, goods should be marked

at prices at which they will sell; but unless the store can handle goods that will pay for themselves, for the expenses of running the business, and a profit besides, it will soon close its doors. Hence the pricing must be made in view of these expense and profit factors, as has been explained in a previous chapter.

CHAPTER XVIII

RETAIL ADVERTISING

Kinds of retail advertising.—Advertising for a store in the larger sense includes everything that can be done to attract the attention of customers and help draw them to the store to see and to purchase the goods for sale there. In this sense, the very best form of advertisement is the satisfied customer. This individual, whoever he may be, feels right about his purchases, and, whenever the opportunity occurs, he tells about how he feels or thinks regarding the store and its goods. No form of advertising can hope to build up business for long unless there are satisfied customers. These come again and again, and bring in their relatives and friends, or throw out such suggestions as cause their relatives and friends to come too.

Good will of the public towards a store is valuable advertising. A store with harmony within and with policies of fairness to the public wins large trade because of these facts. The fact that salesmen feel kindly towards their employer is good advertising, as is also the fact that the employer does everything he can for his employes, from paying good wages to looking after their health, comfort, and enjoyment.

Another form of store advertising is the character of the building itself—its front, its windows, its situation. These things are vastly important; they have been discussed elsewhere in the course.

The display of goods in the window, the display of goods in the store, the arrangement of the store, the appropriateness of its fittings, its lighting, heating, and ventilation all have high value as advertising.

The services of the salesman, the character of the demonstration, the attitude of the salesman, the character of the goods, the efficiency of the store system, and the delivery system are other and most important items in the advertising of a store.

Usually, however, the term advertising is taken to mean only such publicity work as may be done outside of the store. This would include personal solicitation by salesmen outside of the store, but, as this is not a common practice in many lines, the word advertising is not ordinarily thought of as including outside solicitation. In its ordinary meaning advertising is publicity for the store obtained by means of printed matter.

Aim of advertising.—The aim of printed retail advertising is to assist in the sale of goods. Such advertising is a for of salesmanship, and its purpose is, therefore, to help in the sale of goods. Advertising may complete the entire sale in many cases, for the store may receive many orders by mail as a result of the advertising; or it may complete the sale up to the point of actual transfer of goods for the money, this last stage being completed by the salesmen. In the great majority of cases, however, retail advertising does very well if it attracts the attention of the public and arouses enough interest to bring a large number of people to the store. Here the salespeople must complete the work. It is evident, then, that advertising is entirely dependent upon the selling organization; and that there is need for closest harmony, cooperation, and knowledge of each other's methods by both the selling and advertising departments, in order that there may be no waste efforts in either field. The advertiser should know just how salespeople show and sell goods so

that he may prepare the prospective customers for the kind of selling service the store offers; and the salesmen should know just what the advertiser is advertising and how he is doing it, so that they may meet the customer and carry on the sale from the point where the advertising left off.

Store news.—In general, advertising helps a store to sell by attracting the attention of the people, by announcing the arrival of new goods, and by heralding special sales and changes in the store which will affect the business. Advertising that is good is really store news, and the advertising man may be compared to the reporter of a paper. He picks up all the news of the store that may be of interest to possible customers, and then publishes this news in as attractive a manner as possible.

When to advertise.—Advertising, to be effective, must be kept up continuously. On the other hand, there should be no advertising that does not have something of interest to the people. The advertising man should have something to say. This means that when there is no news of any moment occurring in the store, the advertising man must do as the city newspaper reporter does—go in search of it, or manufacture it. This can be done easily and legitimately in a store by starting a special sale, taking in a new line, closing out an old one, etc. The store that does not have things happening in it regularly is not in the current of modern merchandising.

Advertising mediums.—There are a great number of kinds of printed advertising, and there are several ways in which this advertising matter may seek to gain the attention of the people. It is generally agreed that the most practical medium for retail stores doing their business in the regular trading sections of a city is the newspaper. Neighborhood stores and others that draw business from restricted areas or from special groups of customers will find that other mediums are more profitable. And even the store that has

the best reason for using newspaper space, frequently finds it a good investment to supplement this by using circulars, handbills, letters, mailing cards, package slips, booklets, catalogs, and various forms of specialties such as calendars, blotting pads, toys, etc. Some of these have considerable value for any store. A few are considered absolutely essential by most progressive merchants, especially when certain classes of trade are sought.

Requisites for good advertising.—Let us examine the qualities of good newspaper advertising for a retail store. In the first place, the advertisement should be directed to real classes of people and not at random. The good advertiser talks right to the point and in ordinary salesman's language to the prospective customer who reads his advertisement. What he has to say is clear, easy to understand, and brief. His style is cheerful, but entirely free from foolishness. The advertiser neither jokes nor "knocks." He has an unclouded, unperturbed, optimistic mind. He is much interested in his own goods, and that interest he tries to convey to others. He uses superlatives but rarely, and when he does, they are likely to be effective.

Tell the truth.—*An advertisement must be true from top to bottom.* The entire system of private merchandising is severely criticized for digressions from this rule, and advertising that is not true hurts not only the perpetrator but also all other advertisers reaching the same community. Nine-tenths of the buying public are women. It is characteristic of woman's nature to be extremely sensitive about being misled. If a store advertises in any way that deviates from the truth, its dishonest advertisement is likely to be remembered a long time. If you want your advertisements read, they must be believable, and this means that they must be invariably true. There is a saying that some people are so erect that they lean backwards. In advertising there needs to be erectness almost to this degree. Many

stores follow such a rule now and with profit. Their advertising men are required to understate rather than overstate. Anything that looks extraordinary in the quality offered for the price or in price reductions, is scrutinized carefully before it is published for fear that it may not be believed by some one.

Descriptions.—The descriptions of the goods should be made vivid, the purpose being to make them stand out clearly in the customer's mind. No good advertising man makes use of "glittering generalities," such as "best there is made," or "best in the world." In this respect the mail-order advertiser is a past master; retail salesmen, as well as retail store advertisers, can well spend much time in study of the methods and selling copy of the mail-order house. According to the nature of the goods, the advertiser will seek to arouse in the reader's imagination an image of how the goods would really look, how they would feel, or how they would affect the other senses. He appeals not only to the imagination to get the correct impression, but he also seeks to excite the right kind of feeling to go with the impression. How to do this is the high art of advertising. The advertising man who can suggest pleasing feelings along with correct ideas about his goods to the minds of his readers is an artist just as much as the actor who excites us to laughter or to tears, the musician who moves to exaltation, or the painter who presents to the world a masterpiece that expresses life, movement, and nature. The salesman aims at exactly the same thing as the advertiser; but, owing to the limitations of the medium, the advertiser's art is much more difficult.

Heading.—Like the window display, the advertisement should be seasonable, appropriate, and have attention-compelling quality. To get the attention, aside from mechanical contrivances—rules, borders, white space, special type, etc.,—the chief means is the heading. In a good advertisement, this

furnishes in not more than four or five words the basic thought of the whole message. The heading should never be a blind misleading expression. It should catch the attention of every possible user of the goods advertised. It is the most important part of any advertisement. It tries to reach out and meet people on the plane of their needs and their thinking. It states what they would state if they happened to think about the matter. It is the connecting link between the store and the desires of the people.

Illustrations.—If illustrations are used, they should be appropriate, clear, and attractive in themselves. An illustration is used when it illustrates or points out, better than words can express, the uses, qualities, or beauty of the goods that are for sale. Stock cuts and illustrative material furnished by bureaus must be scrutinized to see that they are really adapted to the retailer's use. The location of illustrations with reference to the other parts of the advertisement, especially with reference to the reading matter to which the illustration refers, is important. The advertising man must seek to preserve the appearance of balance in the whole advertisement, but he must also see that the illustrations really illustrate some point in the reading matter.

Prices.—Most literature on retail advertising insists that prices should be given, and the most successful modern stores in large cities do feature prices. *Specific prices for specific articles seems to be the best rule.* General expressions like "Coats from $10 to $50" are weak. When cut prices are advertised, both the original and the new price should be given in dollars and cents. Percentages and other ways of stating reductions mean little or nothing to a great number of people.

Requisites of good form.—Experiments in advertising have shown that doubling the size of an advertisement more than doubles its attention—drawing power, *other things being equal.* That is to say, a full page has more than twice

the attention value of a half page. It pays, therefore, to use as large space as can be profitably used in telling one's business news. Large space gives opportunity to use mechanical devices for getting attention, such as plenty of white space, contrasting set-up, illustrations, etc. Crowding of material is evident at first sight, and makes a bad impression.

Location.—An advertiser may contract for his advertisement to appear in "preferred position," or the contract may call for "run of paper." "Preferred position" usually means a certain page, next to reading matter, and in reading columns; "run of paper" means that the advertisement is fitted into the forms wherever it can go most economically according to the notions of the printer. The former costs more than the latter. There is decided value in "preferred position," however, that advertisers must consider.

Emphasis.—Emphasis can be secured by contrasts of heavy black-faced type with light-faced type, also by means of the introduction of a different size or style of type. Only a very few kinds of type should appear in the same advertisement, and a continuous uniformity of type-faces is very desirable in a store's advertising. People become accustomed to reading it easily, and the first step to favorable attention is taken thereby.

Ornament.—Decorations and ornaments in advertising are dangerous. They are likely to destroy the distinctness of the advertisement, making it harder to understand and to read. Ornament is likely to draw attention to itself and thereby destroy the business purpose of the advertisement. Some of the best advertisers confine the use of rules, borders, and ornaments to the plainest lines, making them serve the eye of the reader in getting hold of the plan of the advertisement and helping to lead from one part of it to another. This is the legitimate function of such embellishments in retail advertising. Some advertisers that are

known the world over do not use ornaments of any kind.

Art in advertising.—There should, of course, be order, meaning, and balance between the parts of an advertisement and here, also, the rules of art apply fully as well as to store display. Careful advertising men preserve balance not only among the various forms composing the whole of the advertisement, but also between the shades of gray, resulting from the use of light and heavy type. To one who will shut out from his mind what a good advertisement says to him, the whole presents a symmetrical, well-balanced, beautiful picture of lights and shades, and of small and large groupings. This is the setting that the advertising man seeks to get for what he has to say. This is what helps to give that good first impression to the reader which is so important. From this setting he contrives by choice and placing of words to make ideas "stand out," as it were, so as to make them inviting and easy to grasp.

Getting the information.—With no intention of presenting directions for the advertisement writer, but rather to give to others who are not so engaged a general idea of how this work is done, we shall follow in outline the making of an advertisement in a large store from the time of its inception to the time when the results are all in.

In the preparation of an advertisement for a certain day, the advertising man, who is usually called the "ad-man," first confers with the heads of departments to see what goods they wish to advertise. Their offerings may be the results of over-buying, or may consist of "stickers" that are hard to sell, or they may be the latest additions of new stock. The buyer gives to the ad-man a statement concerning the qualities of the goods, and then names a price that he thinks will move them. In some large stores these reports from buyers are made to the ad-man in writing; the reports give the name of the goods, cost, regular selling price, price at which they are to be advertised, and remarks upon selling

points to be emphasized in the advertisement. These reports are then submitted to the merchandise manager, who, together with the ad-man, plans in a general way what shall receive most and what secondary attention in the advertisement. The amount of space and possible location of the advertisement are also settled.

Preparation of copy.—This done, the ad-man hurries to his office with his handful of data from the buyers, and his general plan in his head. The policy of the store and its plans for this particular day he is already supposed to know. With this general knowledge and plan he settles down and first works out a model sheet of the size the advertisement is to be, showing the location of the heading, the introduction, the name of the store, the descriptive matter of the offerings from each department, and the illustrations. This model outline is called the "layout." Next, he studies his offerings, or the material describing them, sent to him by the buyers; and from this he writes descriptions. These descriptions, called "copy," must be carefully written so as to express the right ideas, and must be of right length to fit the spaces or "boxes" assigned to each. Usually each description is written on a separate sheet and numbered to correspond with a number placed in one of the spaces ruled off in the "layout."

When the material is ready, the ad-man indicates in the margin of the layout the size of the space the advertisement is to occupy, the kind of border it should have, and other instructions for the printer; while on the sheets containing the descriptive matter he indicates the size and style of type in which he desires the article to be set up. The layout with attached copy and cuts or matrices for illustrations is then sent to the printer with directions to "set up, follow copy, and return proof for corrections." In due course of time, a "proof sheet" returns, this being a first imprint taken of the advertisement as it appears set in type. Numerous er-

rors may occur in the process of setting up. All of these must be noted and corrected; this is called "proof-reading." After the corrections have been made, the "proof sheet" is returned to the printer with full instructions to correct and then to send a new imprint, called a "revise" for final "O. K."

When the "revise" arrives, it is again examined for any errors that might have been overlooked in the first proof-reading, and, if found correct, it is marked "O. K." and signed by the ad-man, who returns it to the printer with directions to run off a sufficient number of proof sheets in advance to supply one for each department in the store, so that all salesmen may be prepared to co-operate with the advertisement. Card-writers are set at work preparing necessary cards for the day. The floorwalkers see that these are all properly placed and the goods displayed, and the salespeople prepare themselves by studying prices and other points regarding the goods advertised.

The sale.—Then the advertisement appears in the newspaper. A half day later the business commences. Curious, interested, decided, and other classes of customers enter the doors. The cheerful floorwalkers meet them and direct them to the departments they seek frequently with wise introductions to the salespeople, such as "Kindly show this lady some of your new dress silks," or "This gentleman wishes to get a good, warm, serviceable coat," etc.; and the sale begins.

The results.—At the close of the day each department head, or the accounting department, figures up the sales and amount of money taken in. The reports from the various departments reach the manager in summary form next morning, and there, down in black and white, is the statement in dollars and cents of the success of the advertising. If the advertising was well done, and the conditions, such as weather, roads, crops, and industrial situation, were good,

it is likely that the results were satisfactory. If they were not satisfactory, there is more than an even chance that the ad-man may have some disagreeable moments with the manager.

Store co-operation.—But in order that advertising should succeed, even if outside conditions are at their best, there must be perfect co-operation within the store. The salesmen must be ready to follow up the advertising in the department in which the goods advertised are located. The salesmen of other departments should also be informed of the sale so that they can direct the inquiring customers without hesitation to the right part of the store. There is another form of co-operation that is necessary: salesmen should utilize, so far as possible, the visit of the customer by trying to interest him in other goods besides the ones he asks for. The advertised goods may yield but small profit. The regular lines of goods must be relied upon to supply the profit for the day. Here is where personal salesmanship works as advertising never can, for each individual customer must be treated in an individual way. If there are large crowds of insistent purchasers, it may be difficult to guide the customer before you to further purchases, but skillful salespeople train themselves in doing this very effectively. Under such circumstances the real salesman never loses his head. He uses the excitement of the crowd as a lever in selling more goods, but he always adheres to the principle that it is wise to sell to a person only such articles as he knows will satisfy the customer. He serves the patrons of the store always, but his service is selling goods. The salesman not only uses the advertising, therefore, but he carries it much further in effect than ink on paper possibly could. He aids the future advertising of the store. It is a well-known principle that satisfied customers are the best advertisement. The ones who will come back again and again for more goods and who will tell other people of their satisfaction

are the retail store's best assets. Advertising of that kind ranks 100 per cent., and it is the result of right salesmanship.

The advertising profession.—Advertising is a profession which is rapidly growing and which offers splendid opportunities for salesmen who have the ability to write good copy. For retail advertising, a training in selling behind the counter is almost absolutely essential. To this there must be added such education as to give the advertisement writer broad business views, literary and artistic skill, and broad knowledge of and sympathy with human nature. The technical part of ad-writing may be learned by anyone with the proper inclination and ability. It is the general education that is most essential and that takes the longest time to acquire. The ad-man needs to be a student of affairs, of art, and of psychology. He should be alive to every social movement and change, quick to see and to judge. All successful ad-writers are great readers. All borrow ideas from everywhere—from history, art, literature, and from one another. Many of them own extensive libraries, the volumes of which are worn with constant reading. The typical ad-man is well-educated, well-read, practical, optimistic, sympathetic, open-minded, enthusiastic, and a keen judge of human nature. Young men and women in the retail selling field, if of the right temperament, can with proper preparation be successful in advertising. The necessary preparation is a matter of time and work. A very essential part of it is to be gained while studying the ins and outs of selling behind the counter.

CHAPTER XIX

RETAIL CREDITS AND COLLECTIONS

Is retail credit necessary?—From the standpoint of social welfare there is a question as to whether credit granting to consumers is a necessary and real service or not. Those who oppose the practice insist that there are so many disadvantages and evils growing out of it in retail trade that everything possible should be done to change to a cash basis.

There is reason for the granting of credit to the producers—the manufacturers and the wholesalers—for they do not destroy the value of the goods. They add to the value by one form of service or another. Hence their creditors can be repaid from the proceeds of the sale of the goods.

Not so with the ultimate consumer. What he obtains, he uses, and that is the end of it. If he eats food, wears clothes, or runs a pleasure car on credit, he is eating, wearing, or using articles for which he has given no return. The payment is promised in the future; but in the meantime his consumption goes on; and his earnings are often behind his consumption. When hard times or bad luck comes, there is but one consequence. He simply cannot meet his obligations, and the retailer must shoulder the loss.

In other words, the retailer is called upon to support certain people—to supply them with the necessities of life to the amount of several dollars on every thousand dollars'

worth of business. This loss must be met directly by the retailer, but he in turn tries to pass it on to others. He cannot pass it on to the wholesalers unless he actually fails.

Though it is not always possible, the logical place for seeking reimbursement is from the public. A merchant may compute that he will lose, we shall say, two cents on every dollar's worth of goods sold on credit. He must simply add two cents to the selling price of every dollar's worth so that this loss may be covered. Hence it will be seen that the people, particularly the classes who always pay their bills, are taxed by the stores for the payment of the bad debts. If cash selling prevailed, goods could be sold with equal profit to the merchant for as much less as the bad accounts now amount to, plus the additional office expense necessary to run a credit business in a store.

Inevitable loss.—It may be added that it is practically impossible to do a credit business without some loss. Business conditions, crops, accidents, and other factors will cause these losses to vary from year to year. By expert credit management, losses can be materially reduced; but no one has a method of doing a credit business without any losses.

Credit a cause of recklessness.—Credit is a cause of recklessness in business management both in the store and among its customers. The store finds it easy to sell its goods on credit, and sometimes plunges into questionable selling campaigns in the false hope of getting pay in the future. Customers are led to invest their money, often unwisely, when it should be used to pay for daily necessities. Credit tempts most customers to extravagance, and from this there is only a step to dishonesty and ruin. It is noteworthy that experience with credit and collection systems makes moral weaklings callous to demands for just payments. Young people growing up in families where purchases are constantly made on a credit basis sometimes cannot or do not

learn the value of money, nor do they gain habits of thrift and saving.

Arguments for retail credits.—These are the arguments against retail credit, but it must not be assumed that there are no arguments for it. On the contrary, the strongest arguments, according to many merchants, are those favoring credit business. In the first place, they say, people are accustomed to receiving credit. The merchant is not a social reformer. It is his business to serve the people in the way they want to be served. Many customers do not want to be troubled with making cash payments for everything they buy and at the time of buying. By not requiring immediate cash payments, considerable time is saved to the customer that would otherwise be wasted in counting out money and waiting for change. Many customers much prefer to have bills rendered once a month or so, so that they can make payments with checks or large bills. Some people find it easier to keep track of their expenses by following this method.

Credit until pay day.—Again, there are great numbers of people who do not live beyond their means, but who receive their wages at the end of various periods of time, as for example, every two weeks, or every month. These people have to wait for their pay. Why should not the merchant wait for his pay for goods sold to them? This is, undoubtedly, one of the safest classes to trust, for, when they are working, they are storing up the value of their work which will become available on pay day.

Credit business pays.—It may be argued that, at present, a credit store attracts trade. Credit giving is a policy that appeals to many people. Unfortunately, it appeals to undesirables as well as those who are "good pay." But it is a fact, nevertheless, that in many, if not most, communities a store doing a credit business will draw a much larger trade than one operating on a strictly cash basis. This increase

in volume of trade, when credits are rightly handled, more than compensates for the time, trouble, and money loss attending the credit business. In some places, no other policy could succeed. If there is any tendency, however, in the matter, it seems to be in the direction of the increasing popularity of a cash business.

Credit makes good customers.—Finally, a credit business pays because it makes good customers. Those who buy for cash buy wherever they may be, and go from place to place in response to curiosity or attention aroused by the advertising of bargains. The credit customer usually gives his entire trade in a given line to one store. If he does not, a little pressure properly applied can often induce him to do so.

Substitutes for credit.—As substitutes for the credit system, aimed at changing the habits of trading of a community, some stores offer a discount ranging from two to five cents on the dollar for cash. This encourages cash payment effectively in some lines, but has had but little effect in others. Another common device, partly successful, is the sale of trade coupons for cash—the giving of $10.50 value in coupons for $10.00 in cash, or $2.50 in premiums for $100 worth of cash trading stamps. This discount is effective in drawing the cash trade of certain classes, but usually these are the classes that always pay anyway. It seems to take more than this to bring out cash in advance from bad risks. Some large stores have established store banks for the use of their customers, and these institutions are said to be very successful. Customers make their purchases, and the amounts are subtracted from their total deposits, and interest at four per cent. is paid upon daily balances.

Practical necessity for credit.—Whatever the theory of retail credits, the fact remains that as conditions now are, many successful businesses will continue to be founded on the credit granting policy. It is perfectly clear that credit

granting is still considered a proper function for the majority of retail stores, and, that being the case, it remains for the retail merchant to study the problems and methods of credit giving in a thorough manner.

Essentials of successful credit business.—Success in a credit business depends upon a careful study of local business conditions, careful selection of risks, thorough examination of credit information, constant supervision of accounts, prompt collecton service, and ingenuity in laying plans for the collection of recognized bad accounts. This demands that the credits of a business must be presided over by one of the ablest men in the store, and, if the business is large, his whole time needs to be given to the work. He should be, in fact, a specialist, a credit man. His office should be close to the bookkeeping department, and all purposes are best served by having the bookkeepers under his direction and supervision. He should also have complete charge of the collecting of accounts, since "getting the money" is the logical and desired end of the store's credit activities. In stores where the credits and other office work do not take up the entire time of a good man, it is probably best to have what work there is of this nature delegated to one man. Its importance is such that some responsible member of the concern should be in charge. To give the work to one man and to hold him responsible is by all means the best plan. Bad credit risks are a rock upon which a large proportion of retail concerns are wrecked. Live responsibility is what is needed to keep the business from getting too near the danger line.

Relation of business conditions to credit granting.—The business conditions of a community determine in a general way the prospects of safety in granting credit. A community may be on the up-grade, down-grade, or standing still commercially and financially. To grant extensive credits in a down-grade period in any community is to

court failure. Crops are always important factors in every business, but more especially in a community in which agriculture is the immediate and greatest industry. Good crop prospects are sufficient reasons for liberal credit policies, whereas bad crops mean decreased means of meeting debts. In prosperous communities, however, it may be possible for most of the best farmers to tide over a period of years quite successfully.

The condition of a community's resources, whether plentiful or near exhaustion, is also an important point worthy of investigation. A community facing sudden change or industrial depression offers bad prospects for receiving prompt returns on credit extended. Many a town has found itself stranded for a time, at least, by the exhaustion of its natural resources, the failure of one of its principal industries, or slackening in the demand for the product of the main industry. All of these things tend to make it difficult to pay debts. Periods of general industrial depression are always productive of difficulty in making collections.

In addition to uncovering such industrial facts as have been already referred to, a study of a community also will be valuable in order to determine the character of the people themselves with respect to their honesty and willingness to pay. "Dead beats" have a bad psychological effect on their neighbors, unless promptly checked in their activities. If one, or several, can run accounts and then never pay them, others reach the conclusion that the scheme is worth trying. But most people will pay if they can. It rests with a wise merchant to prevent them from making purchases that they cannot pay for, not only for his good, but also for their good as well.

Classes that may receive credit.—In general there are certain lines which a credit man may draw between those to whom credit should be granted and those who should not receive this service. In the first place, people with means,

but whose means are not immediately available, may generally be trusted. The farmer who is waiting for his crop to ripen or for better market conditions; the lumberman who is waiting for the spring thaw to move his logs; the ice-dealer who waits for hot weather to bring him a market; the contractor who is completing a job for which he will be paid at its close; the manufacturer whose product requires much time and capital expense before it is ready for the market—these are classes that often need and may safely receive credit under average conditions. To these may be added the great class of salaried or wage-earning workers who have pay days two weeks or a month apart. Credit up to a certain limit and for the time extending to the next pay day is usually considered safe, especially if the worker is the head of a family, and better still if he is a home owner.

Who should not receive credit.—On the other hand, people of extravagant habits, those who are incompetent or idle, intemperate, or unable to attend to their businesses, and those who tend to live beyond their means should not receive credit. Men without families, minors, married women who are not legally responsible for their obligations, strangers without a record, speculators, and gamblers are usually considered bad risks by conservative and successful business men. Credit should not be granted to people in ill health when death is likely to occur, and when death, if it should occur, would mean loss. Nor should people past fifty years of age who have made no savings or have no habits of thrift or accumulation, or those who live from hand to mouth receive commercial credit. Lest this may seem a cold-blooded analysis, it should be said that the community owes to both the infirm and to the old, insurance against privation. But this burden should not fall on the retail merchant alone. A merchant should be charitable; he can afford to be. But charity is not business. When goods

are given to unfortunate people, and the hope of payment is slight, the goods should be charged to charity and not to business.

The credit man's problems.—Having these general principles in mind, the credit man is called upon to make applications of the principles to the hundreds of specific cases that come up. As a first consideration, he must decide which the firm can least afford to lose, the value of the goods if the debtor never pays, or the customer's trade if he should happen to be entirely safe. If the dealer refuses the credit, it is entirely likely that the customer will transfer his trade elsewhere. The store wants to hold all trade that is good, and increase its volume if possible. It may prove profitable for a store to be liberal in granting credit even if this policy results in losing a few more debts than usual. The increased volume in business may more than cover the losses. This, then, is the policy of many credit granting stores; to grant credit rather freely, to anticipate a certain percentage of loss, and then maintain an effective collection department for the purpose of keeping the losses below the anticipated percentage mark.

How bad debts arise.—Credit men generally work on the principle that it is usually safe to trust a customer at least once if he belongs to one of the approved classes. Trouble may arise, however, after credit has been granted once. The customer comes in and asks for credit "until Saturday," "until the first of the month," or "until I have sold my wheat." The date of payment is indefinite; collections are not promptly demanded. Probably partial payments enter into the account, and then the credit risk begins to slide along. After various lengths of time, the debtor has some bad luck, such as illness or lack of work, and the merchant is left in a hole; he cannot get his money, and if he complains at any time, the customer may leave him for good. Finally, loss must be acknowledged.

The work of the credit man.—To avoid cases of this kind, the credit man gets complete information about the customer from the customer himself and from others. He induces the customer to fix a definite date of payment. He finds out on what day the customer expects income; and bills or statements are promptly rendered at that time. For most retail businesses dealing in the necessities of life—food and clothes—especially in cities, thirty days should be about the limit of credit. In some places the credit limit is two weeks, and in others only a week. The credit man also fixes a credit limit for each customer, beyond which the salesman cannot sell without proper authorization.

If a bill does not bring prompt response, there follows a vigorous campaign of letters. Failing in getting returns by these methods, these letters are followed up by a personal call from a collector for the store.

At this point the credit man and his assistant collectors begin to use all sorts of ingenious devices to keep from losing the amount. If the cash is not obtainable, some deal or trade is proposed whereby the customer can make a quick settlement. As a last resort, the account goes into the hands of a collection attorney. Up to this point the store uses every tactful means; but when the attorney attacks the job, it means war. No further trade is expected—or wanted—from the customer. The debt must be collected by force if possible.

Method of handling the credit customer.—The methods of a credit man in dealing with an applicant for credit can be made clear by illustration. A customer purchases some articles from a salesman and asks to have it charged.

Salesman: "Have you a charge account with us?"

Customer: "No."

Salesman: "Wait just a minute to meet our credit man, please," or "Please come to the office with me and arrange the details."

The customer must be handled very carefully. Most women know little about the requirements and necessities of the business world. A rough, brusque procedure in getting credit information might incense a woman to such an extent that she would go to another store. She must be kept entirely at ease, and yet the information must be obtained.

Getting credit information from customer.—When the credit man meets the customer, he learns as much about her as possible without arousing antagonism on her part. What he is after, and what he usually gets from a customer who shows no hesitancy in replying, can be made most clear by a study of a card or other blank form such as he may fill out for his own information. A card form of this sort is as follows.

Name .....
Married or single .....
Address .....
Former address .....
Occupation .....
Where employed .....
Address of employer .....
or
Business address .....
Husband's business address .....
Where statement is to be sent.....
Date .....

Verification.—After the credit man has the information he wants from the customer, and after he has had an opportunity to pass judgment based upon appearances, he may still want further information or verification. He con-

sults the directory, Dun's or Bradstreet's commercial reports if the prospective customer is in business, and possibly other sources. This takes but a moment of time in well regulated offices. At its close, if the investigation shows that the risk may be undertaken, he returns to the customer with a tactful remark, such as "It is all right. We know you and are glad to have your account." If, on the other hand, the investigation results unfavorably, he refuses the credit in a courteous manner, and probably shows himself sympathetic, but blames the rules of the house for his inability to be of service.

Thorough investigation.—After this preliminary investigation is made, there may be more to follow. The credit man learns essential facts about the customer's family connections. For, no matter how hard the circumstances may be that surround a family, if there is a characteristic pride in square dealing handed down from the preceding generation, it is almost certain that any obligation will be faithfully kept to the letter. From the customer's employer, the credit man may learn particulars concerning the wages, steadiness, and reliability of the customer, or of the breadwinner of the family. From the assessor's office he may learn whether the customer owns or rents the home lived in; and, if he rents, who the landlord is. From the landlord the credit man finds out if the rent is usually paid on time. Friendly merchants can tell him what experiences they have had with the customer, if any. Local credit associations can be of very effective service as a means of verification of facts otherwise determined, or as a guide to special investigations.

What the credit man should know about his risks.—When the credit man is through with his investigation concerning a debtor, he knows not only the facts shown on the card, but also the salary received, reputation for paying, personal habits, steadiness in holding position, what rent is

paid, or whether home is all paid for, and all about any sources of income other than regular salary or wage for the city dweller. For his country customers, he learns what property the debtor owns, what incumbrances there are on the property, the customer's character, his methods of marketing his crops, the condition of his farm, his care of implements, the condition of his live stock, and his specialties in farming.

Credit records.—This information is often carried in the mind of the small town merchant; but lapses of memory are so common that the written record that the professional credit man employs is preferable for all but the smallest businesses. The credit man's records are kept strictly private. Surely the customer should never know the detailed opinion of his reliability that the credit man holds. After the records are complete, even if all looks well, safety in a credit business can be assured only by eternal vigilance and thorough watchfulness of general business tendencies, changes in the prospects of each debtor, and careful supervision of the ledger accounts. Any slowness or failure to meet obligations at the appointed time should be noted at once. Any system established in the bookkeeping department must aim at efficiency in this regard. Even under the best conditions a good credit man with a good system can hope only to keep the percentage of total losses below a certain point; he cannot eliminate them entirely.

Relation of credit to prosperity.—Granting retail credits is a matter of vital importance to the whole country. For example, it can be shown that retail credits had some share in causing the financial crises of 1837, 1857, 1873, and possibly 1893. Laxness in credits leads to trouble, not only for the retailer, but also for the wholesaler, manufacturer, banker, and, consequently, for the public in general. A business granting credit should carefully estimate what amount it can safely grant in total, and beyond which it

should not go. A house doing a credit business needs to estimate carefully what effects its credit granting will have on its cash business, and the tendencies to gravitate either in one direction or the other. The proportion of cash to credit sales needs to be carefully watched. Finally, in accord with our theory of retail selling and consumption, it would seem best that every step possible should be taken toward establishing cash buying as a habit of the public. Many a house finds its credits leaping ahead of its cash sales because of failure to do this. Salespeople can help by suggesting the cash payment rather than saying at the close of the sale, "Shall we charge this?"

CHAPTER XX

RELATION OF THE STORE TO ITS SALESPEOPLE AND TO THE PUBLIC

Relation to employes.—In a previous chapter we have discussed the relation of the employe to his employer. It was pointed out that when a salesman is engaged by a store, the store has a right to expect certain services and a certain attitude of good-will towards the business as well as a given number of hours during which the regular work is to be performed. The merchant has a right to demand these things of the salesman. But there is another side to the contract. The merchant owes salespeople not merely the wages or salary which he has agreed to pay, but also favorable conditions under which the work is to be performed. Salespeople are not machines, and cannot be treated as such. They need the human interest of the employer, and, therefore, it is a part of his duty to look after their welfare and to provide them with steady work so far as possible, to make regular promotions whenever they are deserved, and to insure to the employe who has worked faithfully for him for many years that he will not be inconsiderately cast off in his old age. This policy, it is coming to be seen, will pay in the long run.

Minimum salary.—The minimum salary that any economic employment should pay should not be less than enough to buy the simple necessities of life for the person receiving it. Competition among wage earners for places makes it unnecessary in many cases in retail stores for the

employer to pay this much; the competition among employers forces each to take advantage of the necessities of the laborer. It is difficult to see how these circumstances can be remedied, but so far as the individual business is concerned, it would seem a profitable policy, as a matter of good advertising if for no other reason, to employ no people at wages below the living standard.

Child workers.—The age of the worker as well as his experience, education, and native ability count for much in determining what salary shall be paid, but it does not appear that any permanent good can come from employing any person under the age of sixteen years in retail stores. Since the days when store apprenticeships were common, young people have not been able to learn much from performing the tasks that can now be given to those under sixteen; hence, one cannot say that there is any educational value for the boy or girl in serving in a store before this age, and many good business men agree that in most circumstances, it is more profitable to employ older people, all things considered, than young children. Neither the child laborers nor the employer of child labor receives permanent benefit from the employment of children.

What should determine salary?—The amount of salary that a salesman should receive should depend upon his earning ability, his total sales, or his total profits for the firm. In most businesses, the salaries are understood to be a certain percentage of the total sales and range anywhere from three to ten per cent. or even higher. In general merchandise, drygoods, or grocery stores, the average lies somewhere between four and seven per cent. of the total sales. If we were to assume that the salaries should equal four per cent. of the sales, then a salesman who sold $250 worth of goods in a week would be entitled to four per cent. of that amount, or $10. If the sales were greater than $250 per week, then the salesman would be earning more

money for the house and would be entitled to a higher wage.

An ideal way to pay for selling services would be upon a commission basis. In this case each salesman would get an income exactly corresponding to his efforts; but in a store where there are several salespeople and several departments to be considered, it has been found impracticable in most cases to pay salespeople upon a commission plan, because when this is done there is likely to be lack of harmony among the departments, instead of the co-operative working together which the store should encourage. When it is not possible to pay on the commission basis, a straight salary is the alternative most generally considered.

But a straight salary does not bring out the best ability of the salespeople. The salesman may understand that his salary is dependent upon his earning power in the long run, and yet he may neglect to improve his opportunities because the weekly or monthly amount payable to him seems so secure. As a result, many do not get into the habit of doing their best even for themselves, and both the salesman and the house lose that efficiency that the salesman is capable of developing. Some form of premium for good work should be offered to the salesman, and the offer should be made in such a way that there can be no misunderstanding or uncertainty about its being paid to all those who make good and not to those who fail. The form of this premium may be a cash bonus on all sales above a certain amount, a payment for valuable suggestions, or a bonus for excellent team work or co-operation with the store.

Premiums.—In some stores there is a custom of allowing salesmen premiums for selling any stock which seems to have developed "sticking qualities." Such premiums have been known for a long time as "spiffs" or "P. M's." The effect of such a premium is that the salesman gives special attention to pushing the lines in which the premiums are

offered and the goods are sold quickly as has been suggested. However, the advantages of paying premiums are questionable. The salesman gives an unnecessarily large amount of attention to selling the special stock, neglecting to make sales among the goods that may pay the highest profits to the house. In the second place, salesmen are sometimes likely to push special, "spiffed" goods when the customers might be better satisfied with other lines of goods; the house may lose some of its trade by reason of this practice.

In recent discussions upon the matter of premium giving, there has been a strong tendency to emphasize the necessity of giving premiums for efficiency in making sales in all lines, whether the most popular goods or not, and that the premium should be based on special effort, ability, or results. The premium should be paid to the man who does more than the common everyday duties which every salesman must perform if he is to keep his position. The house must have complete the co-operation and good-will of its employes. The remuneration that is paid to the salesman is, after all, the chief means of getting this good-will. The payment of premiums of some kind adds to the interest or zest of the salesman.

Profit-sharing.—There are other methods besides premiums by which the co-operation of every employe may be obtained for the business. Profit-sharing in one form or another is common and effective, if properly carried out. If the employe knows that his income is to a certain extent dependent upon the success of the business, the average person will help to make that business more successful. There are some who, even under this stimulus, do not respond, because immediate desires or pleasures seem much more important to them than a return some months hence. Profit-sharing is most effective as a means of getting co-operation among employes who own homes and desire to make the best use of their position for themselves and their families.

It is least effective among those employes who work only for a season in a store and who do not know whether they care to continue in that line of work or in some other. Profit-sharing is generally most effective in the business in which there is a division of the profits frequently, say every six months rather than every year. It is easier to look ahead for this shorter period of time than for a whole year.

There are dozens of different plans of profit-sharing, but perhaps the most usual is that in which the firm distributes all of its net earnings in excess of a fair return for the capital invested and for the hazards of the business. Sometimes this distribution is based upon the time of the services of the employe; that is, an employe who has been at work for the firm for a long time gets a larger share of the profits than one who has been employed only a short time. In fact, it is customary for no profits to be paid to an employe who has not been connected with the firm at least one year. In other cases the profits are distributed on the basis of the amount of salary received by the employes, the higher salaried ones getting a higher percentage of profit, and the lower salaried ones a smaller percentage. In still other stores, both of these plans are combined so that those who have been in service a long time and who are receiving the higher salaries get the larger parts of the profits to be distributed.

Special forms of profit-sharing.—There are some forms of profit-sharing which do not go by that name, but which are effective in getting the employes' co-operation. Among them is the offering of the company's stock so that any employe may have the opportunity of becoming a stockholder in the business. When he begins to feel that he is a part of the business, he will do his level best to make the business successful.

Christmas gifts, Thanksgiving turkeys, and presents at

other times are other means of getting co-operation. The managers show their appreciation of the efforts of the salesmen by these tokens, and the salesmen become keen in the desire to outdo their former records and merit further consideration. Such presents are, in many cases, valuable in that they cement the feeling of interest between employer and employes and show to the latter that the employer is interested in their welfare.

There are dangers in present giving, however, and one of these is that the practice may be looked upon as a habit, and the Thanksgiving turkey considered a part of the regular salary. Wherever this danger exists, it would be better for the practice to be dropped, and for any funds expended for such presents to be added to the salaries of the employes in the proportion that they deserve.

Selling goods to salesmen—Another way in which salesmen receive remuneration indirectly from the stores in which they are employed is the privilege of purchasing goods at lower figures than are offered to the public. Most stores grant a discount to salespeople, ranging commonly from five to ten per cent. off from the selling price. This discount is usually accorded to the salesman only for the purpose of supplying his own needs. Purchases for his family or friends are to be made at the usual store prices. As a general rule, salespeople are supposed to do their buying in the store only at certain hours during the day. It is also generally best to have some other salesman wait on the clerk instead of having him wait on himself. This means a square deal to all concerned.

In some stores, clerks are allowed to purchase goods at cost to the store, including the price paid for the goods, the freight, the expense of marking, etc., and the placing of the goods on the shelves. In many grocery stores there are no discounts allowed whatsoever. In stores where salespeople are required to wear uniforms, and where material for the

uniforms is on sale, the salespeople are usually given anywhere from ten to twenty per cent. off on this class of goods.

Discounts, gifts, tokens, etc., may be considered by the management as part of the selling expense wherever they are given. Hence it is only a question of whether a store finds it more convenient to pay the salespeople in direct salary what they think is due them and what will bring the best results, or to pay a smaller salary and add thereto these special returns in various indirect forms.

Security of employment.—Security of employment is another thing that directly affects the quality of the services that salesmen give to the store. If a person knows that his position is reasonably secure and that he need not worry about finding another job, he is more efficient because he can give his complete thoughts to the business of selling. It is well known that the seasonal occupations that employ people for only short periods of time, have a lower labor efficiency than any other kind of work. It is not to be expected that a different result can be obtained from salesmen who would like to do their best but who do not know whether they will have their present positions next month or not.

Promotions.—Promotions when made from the ranks within the store help create a strong sentiment of good-will among salespeople in most cases. It is sometimes felt necessary to bring in "new blood" from time to time in the higher positions; but wherever possible promotions should be made from the ranks. "Of what use is it," so most salesmen think, "to give extra effort and service to the store if that effort will not be recognized and if some outsider is brought in to take the position up above?"

Value of departmentizing.—Every store where there are several employes would find it profitable to departmentize, if for no other reason than to give definite work and responsi-

bilities to the various work people. In a general store in which the manager is the only recognized managing official, it is difficult for the average salesman to see that he is making any forward progress as the years pass by. But in a departmentized store where the salesmen may climb from a selling position into that of an assistant buyer or a buyer, or any other position of responsibility within the store organization, there is an incentive to improve constantly. One may think that labels and names do not amount to much, but, after all, most of us take pleasure in one form of distinction or another and the distinction of holding an official position of definite responsibility in a retail store, even though it be a small one, is well worth having.

Every manager should have an under-study.—One plan that a store can well afford to carry out is to provide a system of under-studies for every important position in the management. There are three reasons for this. In the first place, the work of the manager in charge of any department is made easier because of the help that he derives from his under-study. Secondly, the under-study system provides a definite line along which an employe can plan to progress, and, when a person begins to plan for the future in this way, it means that he is taking a deep interest in his work. This is one of the most desirable features of the under-study system. Thirdly, the under-study learns to do the work of his chief and, therefore, if, for any reason, the latter should be absent or should leave for some other position, the store would not be handicapped in getting a new man to take his place. New men from outside of the business must, of necessity, consume time in learning any store's system. This time expenditure is a loss to the firm. There should, therefore, be under-studies for the various buying positions, for the accounting and credit departments, and for all other important official places in the store.

Salesmen's suggestions.—There is one other method of

getting the co-operation of the employes in a store, and that is by conducting some sort of system that will encourage salesmen to make suggestions upon any point which will be of benefit to the business. Not only is the store benefited by the closer co-operation of the salespeople by this plan, but many good ideas may be obtained and utilized, which will mean an increase in the profits of the business.

Welfare work.—An employer needs to be interested in the welfare of his employes, not only during the hours of work, but at all other times as well. How this interest shall be shown is a problem, for unless the matter is handled in a wise and diplomatic manner, all steps in a welfare direction may be misunderstood by the salespeople. Many merchants have helped their salesmen by taking steps to provide the means for them to enjoy themselves during hours out of service. A few large stores have summer camps where the employes may spend their vacations. Some stores encourage athletics among both men and women during spare times. Annual picnics are a big feature in many stores. Other forms of welfare work are valuable, as, for example, the establishment of savings and loan associations, of sick, accident, and death benefits, etc.

There are a number of things which every merchant can do for his people which will help them during the hours when they are in his business place. He can and should provide them with as easy conditions for work as possible, such as proper ventilation, heat, and lighting. It has been found by careful experiment that salespeople can make more sales in a store that is well ventilated, other conditions being about the same, than in one poorly ventilated, and with less effort, too. The same is true of heating and lighting. It has been found that chairs behind the counters are not an inconvenience or temptation to indolence; for a moment's rest while sitting down, enables the salesman to double his energy in the next sale, and, therefore selling efficiency is

increased. Some stores have set aside and equipped some room to be used as a rest room for any employe who does not feel entirely well. In stores where a number of the employes bring their lunches, a comfortable lunch room can often be set aside for the use of those needing it, while in some large stores lunches are prepared and sold to the employes at low cost. Large stores can go much further in this welfare work, as it is called, than small stores; but even in a small store, the management can watch the details of the work of the store and its effect upon the salespeople carefully, and improve anything that does not seem to work well. Everything that makes the salespeople more truly healthy, clear-minded, and happy, helps to make them better salespeople, and some large corporations have adopted welfare work solely for the profit that they expect to derive therefrom.

Hours of labor.—The hours of labor in a retail store are sometimes too long, although the tendency has been to cut them down. It is not long since most stores kept open every evening in many parts of the country. From that, the stores progressed to a point where they kept open only two evenings a week; and, now, in the majority of larger places, Saturday evening is the only night open in the retail trade. This tendency is in the right direction. Very few salesmen can do their very best and be on duty 65 to 80 hours a week. The tendency toward early closing is increasing, and progressive merchants will do well to push along the movement for weekly half holidays and shorter hours for all.

Education of salespeople.—Finally, there is the education of the salespeople to be considered. In these days when business pressure is great, we are likely to forget that the salesman behind the counter, especially the young man or woman, has neither the outlook that will allow him to adopt the best means to progress in his work, nor the opportunity

to do so. Many of the best merchants agree that any store system is incomplete unless provision is made for the training of the employes. The business manager owes it to his employes to teach them something of the broader aspects of the business and to give them a chance to grow in it. Merchants often complain that salespeople do not seem to be able to describe goods or to give the proper assistance to customers. The merchant should not forget that his views and methods of selling are the results of years of experience and of a broad outlook on business life, neither of which the average salesman has.

The buyer as a teacher.—Buyers bring in splendid assortments of goods which will, in their estimation, sell well; then sometimes salesmen fail to sell these goods. The reason often is that the buyer has seen the goods demonstrated by expert salesmen representing the manufacturers; he has seen the goods in the best possible light; and he has heard the most telling points about them; while the salesman behind the counter has been at home and has heard nothing and seen nothing of the goods before they were placed in stock. This condition can be remedied by making it a definite part of the buyer's work to instruct the salespeople carefully in the qualities of the goods they are to sell. It rests with the buyer to inspire the salespeople of his department so that they may see the beauty, the value, and the usefulness of every article as he sees them. In other words, the buyer should sell the goods to the salespeople before the salespeople can be expected to sell the goods to the customer.

Store conferences.—In the teaching of general store management and selling methods, a great deal of good can be done by the holding of frequent conferences or meetings among the salespeople at which topics of interest to the salespeople can be brought up for discussion. At these meetings all sides could be represented and heard. Classes in sales-

manship are of a great value. The store rule book could be made a textbook of great helpfulness to salespeople if properly written and its study emphasized. When buyers make their trips to the market, they sometimes pick up a number of valuable ideas for the store. Each buying trip should be of educational value. Whenever possible, the store should send assistant buyers and salesmen along with the buyer so that they may also gain some of the help that comes to every man that travels with his eyes open. These trips could be made of value, not only to the salesmen who take them, but also to the rest of the salesmen, by requiring the ones who have taken the trip to make a report to the entire group. Educational trips could be offered to the salespeople as a form of premium for efficient service. They should be a means of increasing results in any retail store.

The trade papers.— There is another means of education for salespeople, which should not be neglected, and which has grown in importance with every year. We refer to the trade papers and magazines and the books written on business subjects. There is now no general retail business without its trade papers. These vary in quality and usefulness to the store employes, but, on the whole, they present the facts and suggestions which no good progressive salesman can afford to be without. That some of the material in these trade papers is addressed to the managers and higher officials of the store will not do the salesman a bit of harm; for it is the salesman's failure to understand the problems of the man up above that is often the reason for his being inefficient. Modern business is moving swiftly and there are conditions which must be grappled with almost at the moment that they appear, or failure will result. There is nothing so well fitted and so able to furnish knowledge of these things as the trade papers. Every store should be a subscriber to the papers that deal with its special needs,

and every retail salesman should be a constant reader of as many of these trade papers as possible.

Relations of merchant to society.—The store manager has a certain duty not only to his customers but also to society as a whole. The store is a social institution. It supplies the people with their daily needs. The store that serves the people best succeeds the best. Unjust and unsocial practices in business in the past have made it necessary that there should be certain rules with regard to the conduct of business. So we have a law of sales, a law of contracts, a law of bankruptcy, laws of measures and weights, pure food laws, etc. The tendency seems to be for these rules concerning business to increase in number. The merchant should recognize the tendency and stand for it rather than against it. The public is not blind. Good-will is the result of good service to the public. It is a notable fact that "pure food law" stores, well advertised as such, everywhere in this country are meeting with success. Pure food, pure water, pure air, and cleanliness form the central ideas in a rapidly growing social ideal. The grocer who is a little ahead of the absolute requirements of the law in supplying his people with what they consider best, succeeds the best in the long run. It is not unlikely that we shall have "pure fur laws," "pure silk laws," and "pure wool laws" in the future. There is a growing desire among the people to know what they are eating, wearing, or using, what it is made of, how it is made, and its essential qualities. The day of imitation has not yet passed, by any means, nor is it likely that it will pass. But there is certainly an increasing number of people who prefer to buy from a firm that sells silk and cotton mixed foulard for what it is, rather than the same thing under the name of pure silk. If furniture is veneered, they want to know it. If woolen goods are not all wool, they want to know that. If oleomargarine is colored, they want to know that. There may not always be quite so

much profit in selling goods under this policy as there may be in selling imitations that deceive the public. But business in the long run (and after all, the "long run" is the only thing that counts) must give full value to the public.

The cost of living is undoubtedly increasing. Bradstreet's commercial agency reports that the average increase on all articles used by the ultimate consumer during the twelve months ending May 1, 1912, was something over ten per cent. For the last fifteen or twenty years, there has been a constant upward tendency in prices. The end of it is not yet in sight. This increase in the cost of living is going to hurt, and does hurt, the merchants as much as it hurts anyone else. Unjustly, merchants receive some share of the public blame for this increase. The merchant would serve the public, even better than he is doing, by taking a leading position in showing the public how to fight this increase in the cost of living. There are many ways in which most merchants could show the people how to save their money, how to make their money go further, and how to buy to the best advantage. These things would be really beneficial and would in no way hurt the retail business.

For example, a plumbing house in one of the large cities makes it a point to show customers how to do certain things themselves, like making small repairs, replacing worn parts, and so on, and thereby save the expense of having a plumber come to their houses to do the work. The same principle is applied by other kinds of dealers. But some merchants might say, "Why, this would mean cutting down our own business!" In most cases this would not really be the result. Plumbing and painting jobs which are done by the individuals assisted by the advice of the dealers would probably not be done at all if the expense of getting a skilled workman were added to the cost. The work of the merchant in these cases is something like that of the physician. A good physician, even though he draws his fees only for

his services during the time his patients are ill, does his level best to get them well as soon as possible. It should not be true of retail merchants that they seek to continue business practices that are an unnecessary expense to the public.

The retail merchant can afford to be frank with the public. If he is doing a square business, no harm can come from his letting people know just what the conditions are under which he is working. To take a single example: There is no other business man who gets so many requests for donations as a retail merchant. He gets a great many more requests than any private individual. In fact, if he were to pay donations out of his own pocket, they would soon put him out of business. So he usually charges the donations to the expenses of the business. The public does not apparently understand that in doing so he simply turns the expense over to the public. It would do no harm for the public to know that donations made by the merchant must be made by the business rather than by the person. It would be fairer and more economical to have the public pay the items directly than to put the expense of collection and distribution upon retail merchants; yet this will never be understood unless merchants themselves educate the public.